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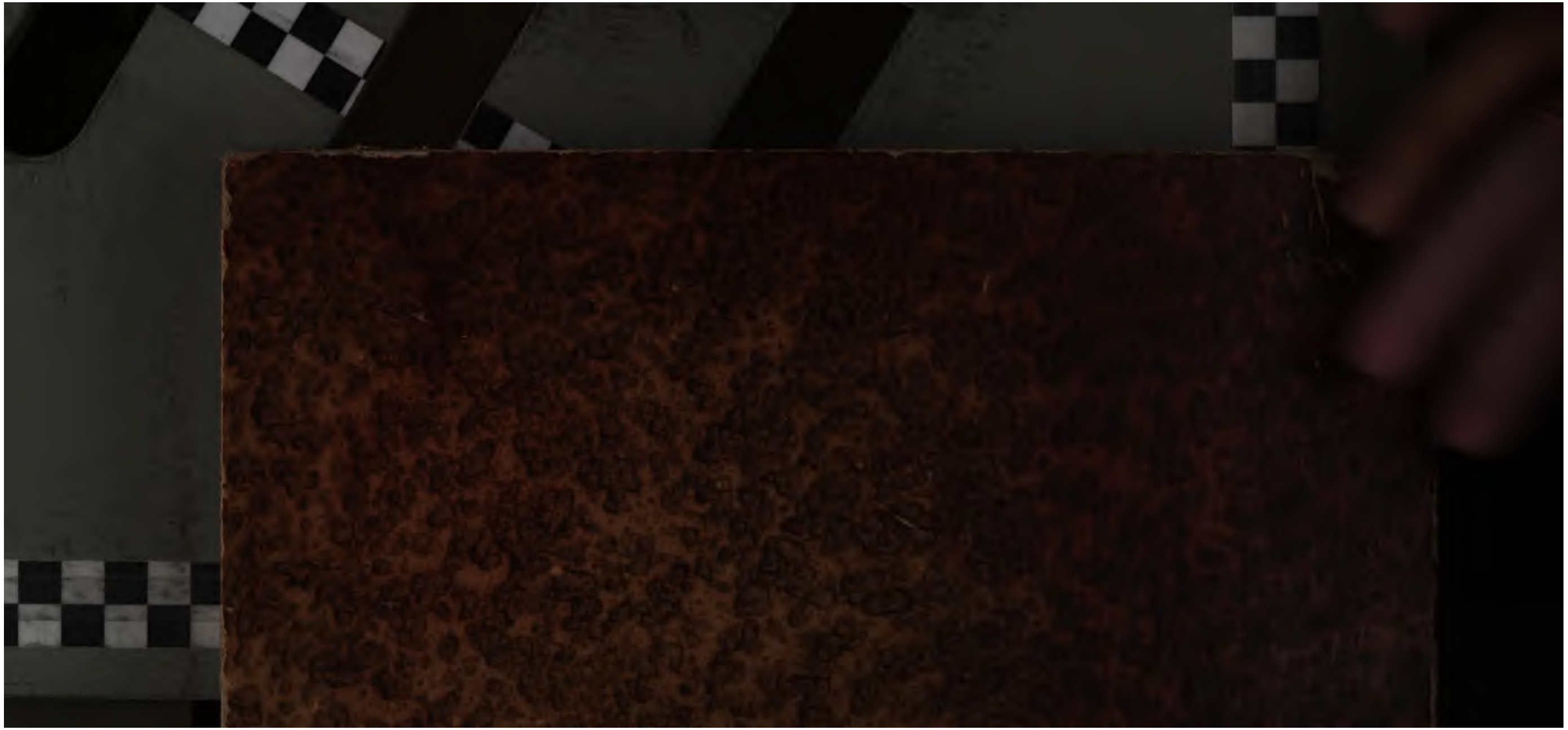

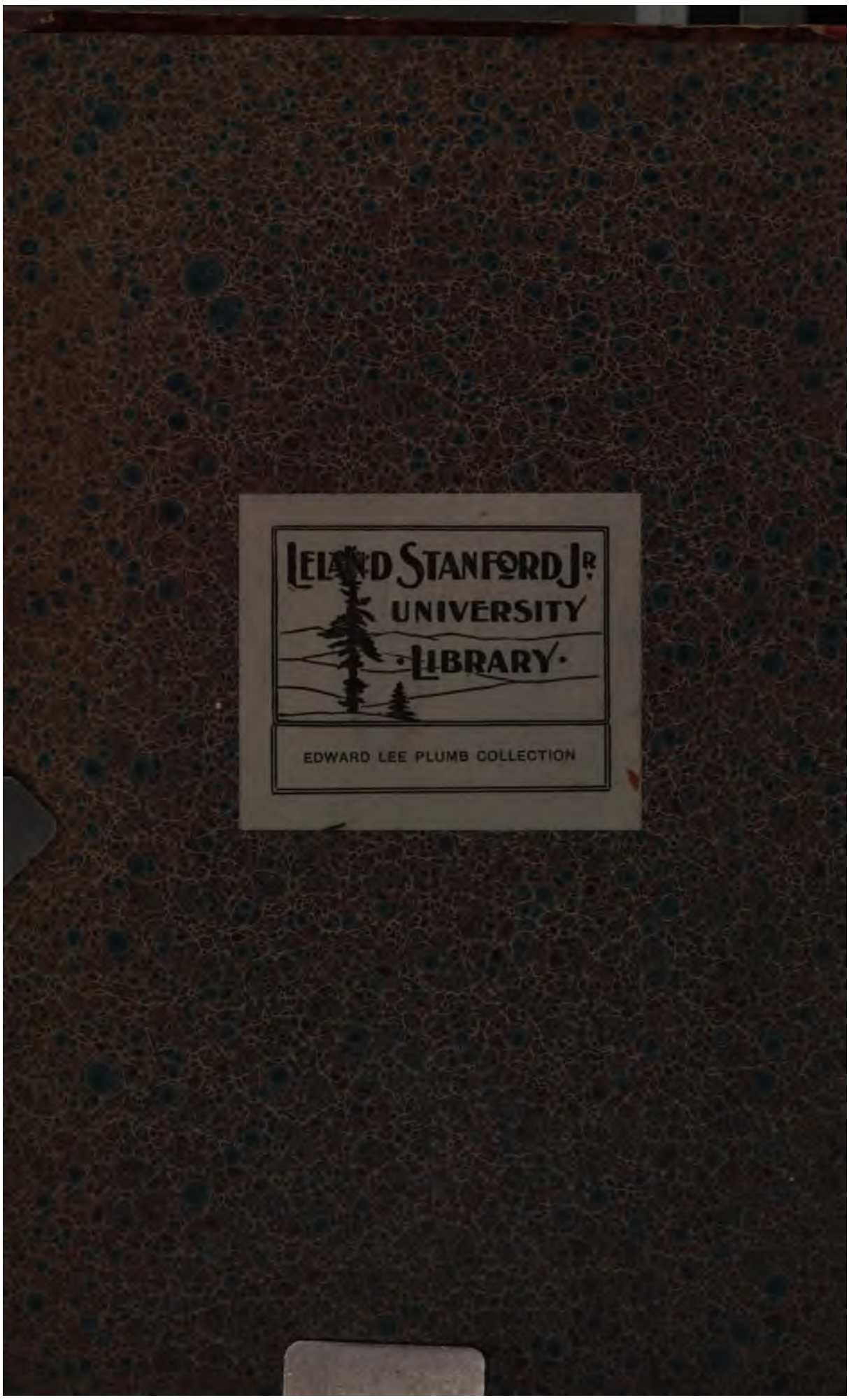
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MEXICO

AND HER

FINANCIAL QUESTIONS

WITH

ENGLAND, SPAIN AND FRANCE.

REPORT

BY ORDER OF THE

SUPREME CONSTITUTIONAL GOVERNMENT

OF THE MEXICAN REPUBLIC.

BY

MANUEL PAYNO.

MEXICO.
PRINTED BY IGNACIO CUMPLIDO,
CALLE DE LOS REBELDES N. 2.

1862.

QUESTIONS WITH ENGLAND.

Debt contracted in London.—Mexican Bondholders.

English Convention

Sundry claims of British Subjects.

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Being commissioned by the Supreme Government to make a Report upon and adjust the debt contracted in London, the Diplomatic Conventions,–and some other financial affairs which should be arranged by the treaty about to be made betwen the Republic and the Commissioners of the three Allied Powers, I have endeavored, in the short space of time at my disposal, scrupulously to examine the records and books of the public offices with the object of treating every affair separately, by forming a concise historical extract of each, and giving at the end a statement of what the Treasury owes up to date. The method and clearness afforded by arithmetical operations will explain,–without the necessity of commentaries,–the nature of each transaction, and the greater or less force and justice of the respective claims which may be made against the Republic, thereby greatly facilitating the elucidation of the questions, without the necessity of examining voluminous records; gathering perhaps, from the recapitulation which will be formed at the end of this Report, the means which may be most adequate for arriving at a solid arrangement and reestablishing the credit of Mexico; thus demonstrating at the same time, a full and manifest proof of the good faith which animates the Government in acceding to whatever may be in conformity with justice and the sacred obligations which a civilized nation has to fulfil.

I relate the transactions in the manner in which they have transpired. To use the words of a celebrated author,—Truth is the best diplomacy,—and on this occasion, more than on any other, the truth, which always succeeds in making its way in the world, has already been, and will be in the course of time, the best and most certain defence of the Republic.

The disorder produced in the public archives, occasioned by the revolution, and the continual changes of the employés, has rendered this work extremely difficult, and prevents its being presented in so complete a form as might be desired; but I can positively assert that its bases are supported by official documents, (which will be printed in an Appendix), and that with the greatest care and most scrupulous efforts, I have endeavored to render myself worthy of the confidence shown me by the Constitutional President of the Republic, Don Benito Juarez, and the Minister of Foreign Relations, Don Manuel Doblado, on intrusting me with such an important and delicate commission.

M. Payno.

Mexico, March 10th 1862.

DEBT CONTRACTED IN LONDON.

HISTORICAL EXTRACT.

In the year 1810 Mexico proclaimed her Independence. The war continued until 1821, when General Iturbide consummated the work commenced by the curate D. Miguel Hidalgo. England was one of the first European nations that recognized the Mexican Government, and entered into friendly and commercial relations therewith. The ports of the Gulf and those of the Pacific, were visited by a large number of British vessels; and mining speculations were undertaken on a large scale by English companies, abundantly provided with money and credit.

Causes which occasioned the deficit in the Mexican Treasury in the first years of the Independence.

In the first place, a war of eleven years and the administrative inexperience of some of the functionaries who came into power, caused, (either from a want of care, or from absolute necessity), the destruction of the schemes that previously formed the system of the Spanish administration, which produced annually from sixteen to eighteen millions of dollars. Tribute; monopolies; excessive taxes; commerce solely carried on through the ports of Veracruz and Tampico; saleable or renounceable government situations; duties on lances [1] and titles of nobility;—Were these by chance to be permitted

(1) Duty paid in lieu of military services.—Tr.

after the Independence was made? Was it not indispensable to open the ports to the commerce of the world; to establish tariffs, and destroy imposts which were not only incompatible with, but were contrary to the new political system?[1] Would not any other nation have done the same? Would it not have been their duty to have done so? But it is our purpose to be impartial, and we have already said that it arose partly from necessity and partly from inexperience.

Deficit of the Independent Government of Mexico.

The imposts being suppressed or modified, as we have stated, and at the same time Government, being straitened for the want of sufficient resources, wherewith to pay the numerous army which had fought for the Independence, and in order to repair the evils of an eleven years war, found itself immediately with a deficit of 2.000,000 dollars. A more minute idea on this point may be gathered from the Report presented to Congress by D. Rafael Perez Maldonado, who was Minister of Finance in the year 1822. This deficit, and moreover, the desire to acquire credit, and to enter as an independent nation into the management of transactions of great magnitude, together with the mistaken idea entertained by influential individuals, that England would take a direct interest in our political affairs, when once we became their debtors, was the cause of soliciting a loan from London, insteated of forming an administrative system, and of procuring resources from the country itself.

English sympathies for the Independence.

In fact, England for many years back had shown the greatest sympathies for the emancipation and aggrandizement of the Spanish Colonies. From the years 1792 to 1794, Pitt conceived a project by which the expelled Jesuits, who resided in Italy, should return to America and promote a movement in favor of independence. Don Francisco Miranda, a native of Caraccas, and who afterwards went to Venezuela, protected by Brissot, was the agent of the Prime Minister for all these important steps in English diplomacy. Afterwards, in 1822, when, by the death of Lord Londonderry, the celebrated Canning was Minister of Foreign Affairs, the sympathies of the English Cabinet towards the new nations that had gained their independence, were so manifest and so marked, that it may be asser-

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(1) On the 5th October 1851, the taxes which consisted of 16 per cent, were reduced to 6 and to 8 per cent. Duties on native spiritual liquors were suppressed; as also those on convoy, and the ten per cent on house rents; in a word, all the extraordinary imposts which had been decreed by the Spanish government to sustain the war. Thus the national income for the year 1822 was estimated in rafaction more than 9.000,000 dollars, whilst the expenditure reached about 12.000,000.

ted they influenced every affair between Europe and these countries, whose political life commenced full of glory and hope.

Loans effected in London for the Spanish American Republics.

The new Republics availed themselves of these favorable circumstances, which made both easy and feasible any transaction in the London Market, which is the centre of wealth and commerce of the entire universe; and in succession Mexico, Chili, Peru, Buenos Ayres, Brazil, Equador, New Granada, Venezuela, and Guatemala, raised loans on the London Exchange for a more or less amount, and with greater or lesser difficulties; so that by the year 1840 the debt which these countries contracted with the holders of Spanish American bonds amounted to the enormous sum of 175,000.000 dollars, which was composed of the primitive capital, the capitalized interest, and of the cost of the agencies and difficulties experienced in making the various arrangements and conversion.

With the exception of the Peruvian four-and-a-half per cent Stock raised by Messrs Murrieta & Co. to redeem the former loans, and pay the interest thereon, (who ceded the produce of the Guano Islands, as well as the Chilian Loan), all the rest of the Republics have always been compelled to make great sacrifices, without ever being able to raise their credit; because the constant civil wars and the consequent disorganization of their revenues have prevented them from carrying out the arrangements made, undoubtedly with the best good faith, and with the best intentions to fulfil them.

Nevertheless, in 1840, Sr. C. Wyllie, who, in his letter addressed to the Chairman of the Committee of Bondholders, deplores the indifference and neglect with which Lord Palmerston treated the interests of English Capitalists who were compromised by the loans made to the American Republics, makes a signal exception to that of Mexico.[1] He says: "The foregoing observations ought not to be applied to all the Spanish-American Republics; Mexico forms a very honorable exception, as I said at a public meeting of the Columbian Bondholders, held on the 28th. July. Between individuals, the most efficacious mode of teaching is by example, and we ought to possess the fundamental hope that the same thing happens between nations. I proceed, then, to show what Mexico has done; and trust her sister southern republics may follow her honorable example.[2]"

(1) A letter to G. R. Robinson Esq., Chairman of the Committee of Spanish-American bondholders in London. A H. Bailly & Co., Cornhill.

(2) Mr. Wyllie wrote a very interesting work on the revenues of Mexico, which Sr. D. Ignacio Trigueros had translated into Spanish. Mr. Wyllie has never allowed an opportunity to pass without speaking of Mexico in the most just and honorable terms, and it is but right to tender him this testimony of gratitude.

A well known individual in the Foreign Office of England assured me that the Spanish-American Republics gave more trouble than Europe and the East Indies together.

This can be easily understood. All these countries were subjugated and governed in the same manner for a period of three centuries; they succeeded in gaining their independence at the cost of immense sacrifices; all of them, in fact, have endeavored, if I may so express myself, to pass over time and space, and place themselves on a level with those nations which have struggled for a thousand years, to arrive at that degree of culture and civilization in which we now behold them.

From California to Tierra del Fuego we find the same strife between ancient and modern ideas; the same exaggerations in opposite principles; the same contention among brothers and members of the same family; the same sanguinary civil wars, and as the inevitable fruit of such discord, the same administrative disorganization; and consequently a want of faith in the fulfilment of the agreements inconsiderately entered into with foreigners, some of whom have been prudent and accessible,--as may generally be said of the Bondholders,— whilst others, avaricious, and exacting speculators, have not pardoned any step to give constant false information to the European press, to the cabinets, and even to the Sovereigns themselves, with the sole object of making a rapid fortune by exaggerated claims. [1]

Let it be said once for all. America with only forty years of life, cannot be like Europe with more than a thousand years of an independent and self-governing existence. Time alone can effect great changes in society.

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(1) Of the amounts claimed by various French Subjects in 1838, the Mexican Government paid 3,000,000 francs in conformity with art. 1. of the Convention of the 9th. March 1839. The *French Government* found some of the Claims so absurd, so exaggerated, and so unjustifiable that they were either rejected or their payment suspended. In consequence of this, there still exists, I believe, or, at least, there existed only a few years since, an overplus of 600,000 francs, deposited in the Savings Bank.

We will cite another case. In conformity with the Guadalupe Hidalgo Treaty, the Treasury of the United States of the North was intrusted with the payment of all Claims which the United States Citizens had against Mexico up to that date; the commission named to adjust these Claims rejected more than one half of them. Gardiner claimed an enormous sum for damages occasioned by the Mexican authorities, in a mine which he alleged to be his property. It was proved that the mine never existed, and that Gardiner was an impostor. Gardiner committed suicide in prison, fearing that a heavy punishment would be inflicted upon him at the conclusion of the prosecution. Can it be forgotten how Gardiner and his Agents talked against Mexico before the truth was investigated?

Without referring to a multitude of historical considerations, which cannot be concealed from the knowledge of European statesmen, who judge the questions of the Southern Americas philosophically and impartially; we will appeal to the positive part, so that, on the completion of this Report, we ourselves may be able to judge with as much certitude and justice as possible, the questions which will form the subject of negotiation between the Government and the Regal Commissioners.

The history of the debt contracted in London, is the history of an inexperienced debtor who is ever anxious to pay, but is always harassed and short of funds; and that of a prudent creditor who is ready to enter into arrangement, but is at times discontented and outrageous when he has lost all hopes of a solid and definitive settlement.

We will make an extract of this negotiation with as much conciseness as possible. [1]

First Loan of 16,000,000 of dollars.

By virtue of a decree of the General Congress dated the 1st May 1823, the Mexican Government authorized Don Francisco de Borja Migoni to contract a loan.

Notwithstanding the credit which the Mexican Republic possessed at that period, the loan was effected in the following manner:

Migoni issued in the London market 16,000 bonds of £100 and £150 for the total value of £3,200.000, which, at five dollars, amounts to.....	16,000.000
The house of Goldschmidt & Co. bought this paper at 50 per cent, which consequently produced.....	8,000.000
Mexico lost in negotiating this loan.....$	8,000.000

The bonds issued by Migoni, and sold, as we have stated, for one half of their value, bore an interest of 5 per cent, per annum, that is

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(1) Whoever may desire to be fully instructed in the particulars relating to the English debt, can consult the following documents, which, although scarce, are to be found in print, and possess an official character.

"*Liquidacion de la deuda esterior de la República Mexicana hasta* 1841, *por D. Lúcas Alaman.*"

"*Memoria sobre la deuda esterior de la República Mexicana, desde su creacion hasta fines de* 1847, *por D. Tomás Murphi.—Paris.*"

"*Dictámen de la comision de crédito público de la cámara de diputados sobre el arreglo de la deuda inglesa.*"

"*Informe con que el secretario de Hacienda dió cuenta en junta de ministros, acerca del negocio relativo á la emision de bonos hecha por la casa de Lizardi y C.ª*"

to say, 10 per cent; supposing that a Bond of the value of £100 was purchased in £50.

For the repayment of this loan all the revenues in general of Mexico were mortgaged, and in particular an especial contribution, (which eventually was not established), the produce of which might reach the sum of 600.000 dollars annually, this being the amount of interest, payable half-yearly. This contract, which contains a multitude of conditions, was approved of by the Supreme Executive Power, in a decree of the 14th May 1824; mortgaging for the payment of the interest, and the amortization of the loan, one third part of the products of the maritime Custom-houses in the Gulf of Mexico, in consequence of the special contribution not taking effect.

The Mexican Government disposed of the net proceeds of the said Loan by drawing Bills of Exchange on London and by receiving the remainder in silver bars and doubloons. According to the statement of Sr. Alaman, which, as we have shown in the note, bears an official character, the emission of the sixteen millions in Bonds produced to the Government in hard cash the sum of £1,139.660, or 5.698,300 dollars. The remainder, to the completion of the sum produced by the Loan, was immediately employed in paying the first dividends and in effecting some amortizations. Although we treat of distant dates, we will endeavor to form a general statement, presenting at first sight, the sacrifices suffered by Mexico to pay her creditors, notwithstanding the continual disturbances and the consequent diminution of the revenue.

In the month of February 1826, the house of Goldschmidt & Co. suspended payment; consequently, the Government adopted measures to liquidate the accounts in London, and subsequently commissioned Sr. D. Sebastian Camacho for that purpose. After various and disagreeable debates with that house, a composition of all the pending transactions was entered into, conceding thereto as great a reduction as the bad state of their affairs exacted. In this manner the first financial operation terminated, which, as explained, cost about 68 per cent.

In the year 1823, the house of Messrs. Manning & Marshall existed in this capital, which firm enjoyed the best and most highly merited reputation. Authorized by a decree of the 27th August 1823, the Government contracted with them another Loan, to raise which they commissioned the house of Barclay, Richardson & Co., of Lon-

QUESTIONS WITH ENGLAND.

Debt contracted in London.—Mexican Bondholders.

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Sundry claims of British Subjects.

Payment of four dividends.

Not until September 1831 were the financial transactions again organized in London, when Messrs. Baring, Brothers were appointed agents, who paid four dividends out of the specie remittances made by the Government, and supplied from their private funds, on account of the Mexican Treasury, any sums that were deficient.

Capitalization of dividends.

As the remittances were insufficient to cover the sum owed for interest, a project was suggested to capitalize the same, which met with various difficulties, that were subsequently overcome by an arrangement made between Messrs. Manuel Eduardo Gorostiza and Baring, Brothers on the one part, and the Committee of Bondholders on the other part, with the object of capitalizing the interest unpaid from the 1st October 1827, to the 1st April 1831; reserving in future one-sixth part of the revenue arising from the custom-houses of Vera Cruz and Tampico, and remitting the products to England for the payment of the half-yearly dividends.

Separation of one-sixth part of the product of Vera Cruz and Tampico.

This arrangement, which was highly satisfactory to the Bondholders, was sanctioned by the decrees of the General Congress, dated 2nd October 1830, and 20th May 1831.[1]

The dividend which became due on the 1st. July 1831, was paid in hard cash to the Bondholders; 16.000 dollars of which was advanced by the house of Baring, who were afterwards repaid by the following remittances from the maritime custom-houses.

Capitalised bonds.

The interest on the five per cent Loan [*the Migoni Loan*] was capitalised at the rate of 62½ per cent, and the interest of the six per cent [*the Barclay Loan*] was capitalised at the rate of 75 per cent.

[2] To cover, therefore, at this rate, all the Coupons which had fallen due, Mr. Gorostiza signed the requisite number of Bonds, and delivered them into the house of Baring, who issued:

4.813 Bonds at 5 per cent, letters		E. & F..... £	635.950
7.080 „	„ 6 „	G. & H.....	939.850
		Total ..... £	1,575.800

Therefore there remained to be issued, in consequence of the in-

(1) These decrees, as well as those referred to in the body of this Report, will be found in the Appendix.

(2) Between the statements of Mr. Alaman and Mr. Murphy, there exists a difference of £ 4.767; and although I have endeavored to clear up this discrepancy by examining other documents, I have been unable to as certain the cause. I believe that the statement of Mr. Murphy is the true one.

terested parties not having presented their Bonds, from the loss of Bonds, and other contingencies which always occur, about £ 4.800; but, as may be perceived, the Mexican Debt increased by this capitalization, by commissions, charges, &c., to the round sum of 6,000.000 dollars. This emission of Bonds was called *Capitalization*, to distinguish them from those which were afterwards issued by the house of Lizardi.

Resignation of the house of Baring, and appointment of Lizardi to the Agency.

Messrs. Baring & Co. afterwards resigned the Agency, liquidated their accounts, and finally rendered very useful services to Mexico, without remaining indebted a single cent; a result very different to that which previously occurred with the house of Goldschmidt & Barclay.

The Agency devolved on the house of Messrs. F. de Lizardi & Co., and although the maritime custom-houses did not omit making specie remittances by the packets, they were never sufficient to cover the interest on the debt, which consequently increased, as we have stated, by the capitalised Bonds. The arithmetical result was, that with an additional charge of interest annually, and by the preceding operations, at the end of 1837, Mexico stood indebted to the Bondholders in the sum of 46,239,720 dollars.

Amount due by Mexico at the end of 1837.

Good faith and pecuniary sacrifices of Mexico, and its conformity and harmony with the Bondholders.

From what has been stated, not a shadow of bad faith or, much less, any deception on the part of Mexico, can be pointed out by the most partial individual, or by her most exasperated enemy; but, on the contrary, she has shown a manifest desire, and the greatest and most constant exertions to comply with her obligations, even at the expense of immense losses and sacrifices. The Bondholders were persuaded of this fact, and acceded, as we have seen, to every arrangement and combination that was proposed in conformity with the customary suggestions of creditors in general; they had no motive for displeasure nor complaint with the Mexican Government, notwithstanding the changes of the Executive Power, which has been so exaggerated by the Spanish ambassador Sr. Pacheco.

Although this is well known, nevertheless, it is our duty to recur to it occassionally; because it is of importance under existing circumstances.

Neither at the time nor after negotiating the Loans, has the Government of H. B. M. interfered.

The Government of Her Britannic Majesty did not participate directly nor indirectly in the two Loans which were contracted in London on account of the Mexican Republic, nor in the lapse of time has it interfered in any of the arrangements. These, and all questions which have occurred, have been transacted directly be-

tween the committee of Bondholders and the Agents of the Republic. At times, in order to invest certain steps with greater force and solemnity, Mexico has intrusted some commissions to her Representatives in London; but, generally, these matters have been purely and exclusively of a financial character, and have been directed by the Finance department.

This narration is briefly interrupted in order, in few words, to make one or two reflections which are necessary in the present day, when so much vituperation is heaped on Mexico; and we trust that, although this subject is both tedious and barren, those who may glance over this Report may not meet with anything more than a series of financial operations invariably effected to the detriment and increased obligations of the Republic; but nothing, absolutely nothing that can substantiate any reason for behaving towards Mexico in the manner in which she is treated, not only by the Editors of the Press, but by persons who, from their elevated position, ought unquestionably to be better informed. To continue:

Conversion of 1837, and amortization of one half of the Debt by waste lands.

On the 4th. April 1837, Congress granted extraordinary powers to the Government, by virtue of which a decree was issued to liquidate the Debt, and to amortize one half thereof by national or waste lands, (so called here), in the States of Texas, Chihuahua, New-Mexico, and California; and with the other half to form a sinking fund.

In June 1839, Congress approved of the arrangement of the house of F. de Lizardi & Co., which was, in substance, to convert both Loans into one simple fund, at the following rate:

The five per cent Loan, and its arrear Coupons, at par.

The six per cent Loan, and its unpaid Coupons, at 112½ per cent.

The sum total of this operation was to be divided into two equal parts.

The one to consist of *active Bonds*, to bear an annual interest of five per cent, and the other to be composed of *deferred Bonds*, which were not to bear any interest for ten years; during which period they were to be admitted in payment for waste lands in the territories mentioned, at the rate of £1 for every four acres.

Emission of *active* and *deferred* Bonds.

Consequently the house of Lizardi was to issue:

In active Bonds, with an annual interest at five per cent.....$	23,119.860
In deferred Bonds, which would bear no interest till the 1st. October 1847.....	23,119.860
Sum equivalent to the liquidation of the Mexican Debt en 1837.....$	46,239.720.

Of all the operations which had been practised for the arrangement of the Debt, most decidedly this was one of those which were made with the greatest foresight and with evident advantages for Mexico, if we admit the principle that it was necessary to pay the forty six millions that formed the balance against the Republic at the end of 1837. Now that we have mentioned the errors committed in the anterior transactions effected in London—guided by a spirit of justice—it is but right that we should take into consideration the benefits and advantages of the Conversion of 1837; and, to speak with accuracy, we have simply to insert an exact copy of what an official document says on the subject.

Advantages o the conversion of 1837.

" In the first place, two distinct funds were converted into one, " which greatly simplified the accounts and the payments; secondly, " one of these funds at six per cent was reduced to five per cent, " and the Republic thus relieved for the future to the amount of the " one per cent; thirdly, one half of the debt ceased to bear interest " for ten years; and fourthly, the redemption of this part of the de- " ferred debt was to be effected without the necessity of drawing " upon the ordinary revenues of the Republic; comprehending at the " same time the satisfactory expectation that the uncultivated lands " of New Mexico, California, and Sonora would be populated in a " short time by a laborious and industrious people. This measure " thus involved nothing less than the great political idea of the co- " lonization of the frontiers, in order to prevent that separation of " the territories of New Mexico, Texas, and Upper California, which " was consummated in 1848.

"As to the commercial part of the affair, it may be summed up as " follows:—By the premiun of 12½ per cent, which was granted to " the bonds at six per cent, Mexico increased her debts to the amount " of 2,560.100 dollars; but, on the other hand, she saved, in payment " of interest, about eleven millions."

Before proceeding further we will make a reflection, which we consider to be of the highest importance in the present day.

Reflections on the Mexican Debt, and the necessity of arranging it in a solid and definitive manner.

The English Debt, as well as others which we have with foreigners, instead of diminishing, increases every year, so that the funds which are set aside in the Custom-houses,—the saçrifices which are made, the decrease which the revenue suffers, (which forms the inexhaustible fountain of internal disturbances), become sterile at the end of the year; because, by not paying the interest with punctuality, and the part stipulated for the redemption of the capital,

neither the credit of the Republic improves, nor can the credit depend with certainty on any receipts; and on the following ye further arrears accrue, which renders it more and more difficult cover as time proceeds. This situation, which has augmented t sum of eleven millions we received, to something more than six two millions which we are at present indebted, will carry us on ruin, but which may, particularly at this moment, be avoided just and well calculated combinations.

If Europe has no other designs—if her armed mission be simp the payment of accounts in arrear, and security for the current on in this case we cannot save ourselves without making a grand op ation, by which Mexico may conserve the sovereignty of the ter tory she now possesses—liquidate in justice all the pending clair give security for the future to her Creditors, and plant civilizati and life where deserts and barbarity now exist. How can this op ation be effected?

Although undoubtedly difficult, it is not impossible; but as it not our intention to unfold this plan here, we limit ourselves to indication, supported by the palpable examples furnished us by t subject we now treat of.

To corroborate our opinion we have only to follow the thread this Report.

The conversion which commenced in the year 1837, was not y terminated in 1842, resulting therefrom that, at the same time th an evidently good financial operation was being effected, dividen were falling due, which it had not been possible to pay; so that the 10th February 1842, the interest of the years 1838 to 1842 w still unpaid, with the exception of 1,499.644 dollars of certifica given on the Maritime Customs.

New arrangement and emission of the *debentures* to complete the dividends.

This last default gave rise to a new operation, by which it w stipulated that one-fifth part of the product of the Custom-hous instead of one-sixth, should be separated; that the Dividends of 18 and 1843 should be paid in cash by the house of Lizardi; and th out of the remaining funds, the Creditors should receive one-h in certain titles, which were called in the London market *debentur* giving up the balance in favor of the Republic. This operatio together with others which the Government had to effect with mo or less judgment, in order to meet the payment of the dividen which followed,—the commissions due to the house of Lizardi, and t supplements made to the Legations by the same house, produced

infinity of difficulties in the accounts,—emission of bonds, and demands from the Committee of Bondholders; and, in short, a return to the dangerous disorder which had been apparently restrained by the conversion of 1837, which was not concluded [how incredible!] until seven years after its commencement, inasmuch as not until 1844 were the old five and six per cent bonds collected and cancelled.

The Agency passes to the house of Schneider.

In consequence of the many incidents which occurred during a period of several years, until the financial agency in London passed from the house of Lizardi to that of Schneider; and, *as usual*, the want of seasonable remittances of money to complete the dividends, it became necessary to have recourse to a different plan.

First projects of the house of Manning & Mackintosh for a new arrangement.

In April 1845, Messrs. Manning & Mackintosh sent a communication to the Minister of Finance, proposing to raise in London a new consolidated Stock to the amount of £4.000,000, (20.000,000 dollars). This Stock was to be redeemed in eighty years, and to bear an annual interest of five per cent, and to possess a special mortgage of the tobacco revenues, and a general one of all the revenues of the Republic.

The said house of Manning & Mackintosh bought this new Stock, and gave in payment:

All the deferred Bonds, although they should exceed in amount five millions sterling.

All the debentures.

Five millions of dollars in 26 per cent. Bonds.

Two millions of dollars in cash. Amounting altogether to 27.000,000 dollars in different equivalents.

These proposals, the advantages of which it was impossible to disguise, were immediately accepted by Sr. D. Luis de la Rosa, who was at that time Minister of Finance; but the proponents reserved the right of deferring the ratification of this convention for four months, and in case they withheld it, to be reimbursed for the 500,000 dollars which they were to advance in cash on account of two millions.

In consequence of some difficulties which took place in the London Market in carrying out this operation, and of the change of the Minister of Finance, the propositions were modified, at the end of a few months, in the following terms:

Modification of the first propositions.

The consolidated stock to be issued should be £4,200,000.

With this new fund the *debentures* and the deferred bonds should be called in.

The surplus was to be taken by the house of Manning & Mackintosh, who were to give in exchange to the Mexican Government:

Two millions in hard cash.

Two millions in Tobacco Bonds.

Two millions in 26 per cent Bonds. [1]

Neither were these propositions ratified by the house of Manning & Mackintosh; consequently recourse was had to another combination much less advantageous to the public treasury than the first, of which we have given an idea; and, therefore, a new convention was signed between the Minister of Finance and the house referred to. After transmitting this convention to the Committee of Bondholders, which met with great opposition in the press from some of the interested parties, the Mexican Minister,—empowered by the Government to remove any difficulty,—modified the convention of the Minister of Finance, and authorized Messrs. John Schneider & Co., who were the financial agents at that time, to propose the following bases:

1st. A new consolidated stock should be emitted for £10.241,650 instead of the £4.650,000 provided for by the resolution of the 5th March.

2nd. With this stock, not only the totality of the *deferred* debt, the *debentures*, and the *dividends in arrear* should be redeemed, but also the capital of the *active debt*.

3rd. The rate at which these documents were to be redeemed would be a matter of agreement between the agents of Mackintosh and the Bondholders.

4th. For the payment of the interest and for the redemption of the principal of the new consolidated stock, there was to be assigned:

Twenty per cent of the produce of the Customs of Vera Cruz and Tampico.

The duty on the exportation of silver from the ports of the Pacific.

One hundred and seventeen thousand dollars monthly out of the tobacco revenue.

If all these assignments should not prove sufficient for the full and punctual payment of the interest, and to bring the sinking fund up to 500,000 dollars annually, the Tobacco revenue was to be mortgaged to cover the deficiency.

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(1) These 26 per cent Bonds belonged to the Mexican debt, which had been liquidated and consolidated, and was payable with 26 per cent of the product of the Maritime Custom-houses

In consequence of all this, the house of Schneider and the Bondholders agreed: Conversion of 1846.

1st. That the *active* Bonds should be converted at the rate of ninety per cent., including in the said 90 per cent. three and a-half of the four and a-half, Dividends in arrear from the 1st. October 1844, to the end of July 1846.

2nd. That the remaining Dividend should be paid in cash on the said 1st. of July.

3rd. That the *Deferred* Bonds and the *Debentures* should be converted at the rate of sixty per cent.

4th. The interest on the capital of £10,241.650 should commence from the 1st. July 1846, and be payable half-yearly; satisfying the first Dividend in London on the 1st. January 1847.

Under these conditions a convention was, made on the 4th. July 1846, and accepted by the Bondholders and the Mexican Minister.

Such was the arrangement known as the Conversion of 1846.

The anaylisis of this affair is very simple. The Bondholders, on receiving the new Stock, made in favor of Mexico an abatement of ten per cent on the *Active* Bonds, and of forty per cent both on the *Deferred* Bonds, and on the *Debentures*, thus adjusting, in the first place, the reduction of the Debt to a liquidated and exact amount; and secondly, causing a saving of no little importance, as will be observed by the following demonstration: Anaylisis of the Conversion of 1846.

The Mexican Debt in the London Market was, on the 1st. July:

Active Bonds issued by the house of Lizardi.....£	5,591.650
Deferred Bonds.....	4,624.000
Debentures.....	499.000
Three and a-half unpaid Dividends on the Active Bonds.....	489.269
Total.....£	11,203.919
The Debt remained reduced to.....	10.241.650
Difference in favor of Mexico.....£	962.269

Or 4,811.345 dollars.

Besides this sum the remainder of the fund was paid to Mackintosh, amounting to £ 2,135.307, and by way of compensation the house delivered to the Government:

In tobacco Bonds.....$	2,000.000
In credits of the internal Debt.....	460.000
In Bills on the house of Schneider, for supplements made to the Legations.....	2.00 000
In old debts.....	2,700.000
In cash.....	1,756.903
Total.....$	7,116.903

Amortization made by the Mexican Government.

From the sums in money there is to be deducted those which were paid by the Government to Mackintosh; but the result is—after a minute liquidation—that the public treasury redeemed a large amount of the internal debt, including the very important one of the tobacco Bonds; that one part became in the course of time the English convention, and that the sum of 200.000 dollars was received in hard cash.

Independent of the complicated incidents and liquidations of the affairs of the Government with the house of Mackintosh, (which are not to the purpose to mention here), it is easily perceived that the convention of 1846, notwithstanding the modifications made in many of its essential articles, was one of the most advantageous and brilliant financial operations ever effected.

To adjust a debt both entangled and difficult.

To pay the Dividends in arrear.

To consolidate, at a less value, all the primitivec apital, and at the same time to economize about five millions; to redeem an equal amount of the internal debt, and to receive more than 200.000 dollars in cash, are occurrences, the benefit of which admits of no argument.

The unjust opposition made to the Conversion of 1846, caused the Government to vacilate and disapprove of it.

Well then, it is necessary to state as a warning and an example, that in Mexico, not only were these operations distrusted, but many persons devoted themselves to attack and oppose the Government which had made them, until they succeeded in causing the Executive Power which was established in this Capital in 1846 to disapprove of what had been done, as though it would have been not only legal, but both easy and practicable to replace the affairs in the same state as they were previous to making the conversion.

In the month of October, the Government retraced their steps, and expressed their approbation; but in December, with the removal of the Minister of Finance, they forwarded decisive instructions to London, disapproving everything.

From August to December, in one and the same year, there were three contradictory resolutions! How incredible!

Opinion of the Crown Counsel

The Bondholders in London were naturally irritated, and they, applied to the Crown Counsel who, after examining the transactions, declared, in few words, that everything had been properly concluded, and that the conversion must subsist; because the Mexican Minister, as well as the Agents, had acted in conformity with the instructions of the Mexican Government.

This has proved to be one of the most equitable and best combined regulations, inasmuch as it conciliated the interests of Mexico with the Bondholders,—it adjusted the debt,—and augmented the interest fund, whereby the value of the Mexican Debt rose in the Market.

War with the United States interrupted the payment of dividends.

However desirous we have been to condense the extract of a question of so grave a nature, and of such consequence to the Republic, it has been impossible to do so. It would appear that with the Conversion of 1846 all differences and difficulties would have terminated, but this was not the case. On the contrary; others emanated from the usual causes, that it to say, from the want of punctuality in the payment of the dividends, although this time Mexico may have had more than sufficient reasons. In 1846 the Conversion was made. In the following year the Republic was invaded by the United States army, and no funds could be set aside until the General Government night be reestablished in this capital.

As Mexico, in consequence of the Treaty made with the United States was to receive a considerable sum of money, the Bondholders expected that the unpaid Dividends would be paid out of this extra fund, and, unwilling either to lose time or opportunity, they sent Mr. William P. Robertson under the character of a financial Agent, and especially authorized him to make an arrangement.

Arrival of Robertson as Agent to the Bondholders.

Robertson arrived in Mexico in March 1849, and immediately conferred with Piña y Cuevas, who was Minister of Finance; and also with D. Francisco Arrangoiz, his successor.

Various projects were mutually submitted, until at last the Minister of Finance agreed to the arrangement inserted below; which was presented to the Chambers for approval.

"Art. 1st. From the 1st July 1849 to the same date in 1859, the interest of the English Debt shall be three-and-a-half per cent., instead of five per cent per annum.

"Art. 2nd. In just compense for this abatement, the Govern-

ment cedes to the said Bondholders, besides the assignments of which they are actually in possession, (consisting of the export duty on silver in the Mexican ports of the Pacific; of the fifth part of the duties collected at the Custom-houses of Vera Cruz and Tampico de Tamaulipas; and of the sum arising from the tobacco revenue, which is assigned to the Bondholders by the 9th article of the arrangements concluded with the creditors of that revenue, on the 28th of January of this year), the circulation duty in the ports of the Pacific, and the circulation and export duties on silver in the ports of the Gulf of Mexico: in order that the amount of these latter, less the charges with which they are actually encumbered, may be devoted to the payment of the dividends, and to the sinking fund of the Foreign Debt.

Robertson solicits part of the money which Mexico had to receive by the treaty of peace made with the United States.

" Art. 3rd. To cover the arrears of interest at the rate of three-and-a-half per cent. per annum, from the 1st of July 1846, to the same date in 1849, 4,000,000 dollars shall be devoted out of the American indemnity, to be taken proportionally, in third parts, from the instalments not yet recovered, and without any payment of additional interest by Mexico.

" Art. 4th. Mexico shall make the payment, mentioned in the preceding article, at the favorable exchange of forty-six pence per dollar.

" Art. 5th. If the said four millions of dollars, at the aforesaid exchange of forty-six pence, should not fully cover the amount of the interest which has become due from the 1st July 1846, to the same date in 1849, at the rate of three-and-a-half per cent per annum, Mexico shall be absolved by the Bondholders from making good the deficiency.

" Art. 6th. The permission to import raw cotton, which the Government granted to the creditors on the 19th July 1847, valued at 680.000 dollars, being in payment of sums which belonged to the latter and were taken from the maritime customs of Vera Cruz and Tampico. remains definitively for the account of the creditors, whatever may be the loss at which they may realize it.

"Art 7th. The difference of interest, from the 1st July 1846, to the same date in 1859, being one-and-a-half per cent per annum, or altogelher, nineteen and-a-half per cent, is ceded to Mexico, entirely and without affording ground for any future claim on the part of the holders of bonds of the foreing debt.

"Art. 8th. In compensation of this cession the Government pays

the Bondholders 500.000 dollars out of the American Indemnity, payable proportionally, by third parts, from each of the instalments which are still to be recovered; which sum of 500,000 dollars shall be devoted to the interest already due and not paid.

"Art. 9th. If in the period evolving between the 1st. of July 1849, and the 1st. of July 1859, the dividends are not paid, at the rate of three-and a-half per cent, on their becoming due, it shall be at the option of the Bondholders to annul the present contract, and to resume their original rights.

"Art. 10th. On the 1st. of January 1859, the Government of Mexico and a Commissioner of the Bondholders shall make fresh arrangements for the payment of the dividends, dating from the 1st. July 1859, more or less favorable, according to the state in which the Republic may then find herself.

"Art. 11th. The present convention shall not cause to Mexico any expense for printing new bonds; nor any other charge whatever, for commissions, brokerages, &c., which may be incurred in England, arising out of this convention.

"Art. 12th. All the stipulations of the preceding articles are subject to the ratification and approbation of the Mexican Congress, and of a general meeting of the Bondholders.

Francisco de Arrangoiz.
William P. Robertson."

"Mexico, July 6th 1849."

Such was the celebrated Convention of Sr. Arrangoiz, and we say celebrated, because it was wholly limited to granting to the Bondholders four and a half millions of the American Indemnity, whilst a new arrangement was to remain pending during the uncertainty and indecision of the adjustment; thereby nullifying of itself the abatement of interest, inasmuch as if a single dollar should remain unpaid during the ten years, that act alone was sufficient for the Bondholders to ignore all the stipulations. To prevent even escape from ridicule, it was stipulated in the last article that Mexico should not incur any expenses for printing bonds, brokerages, &c.

The Chamber of Deputies rejects Arrangoiz projects, and the Commission of Public Credit presents another in its stead.

The efforts made to procure the approval of this arrangement were very great; but fortunately at this epoch there existed in the Chambers the soundest principles of administration, and a sincere desire to act with prudence; thus it happened, that instead of admitting such an absurd scheme it was submitted to the scrupulous and con-

scientious examination of the Commission of Public Credit, w
gave its opinion,—elucidating various complicated points, and
posing the following project:

"Art. 1st. To raise a new national Fund of £10.241,650 at a
nual interest of three per cent., with the sole object of the Conve
of the English Debt.

"Art. 2nd. For this purpose the necessary bonds shall be is
in London, signed by the Agent of the Republic and countersi
by the Mexican Minister Plenipotentiary in England, or by
persons representing him, for the same amount expressed in the
article: These new bonds shall be given in exchange for tho
the five per cent consolidated stock, and no new bond can be is
till an old one of equal value, number, and letter, shall have bee
ceived for it. The bonds thus called in, shall at once be cance
by piercing them through the centre with a puncher of an inc
diameter, and shall be deposited in the archives of the Legation
specified notice of the redeemed bonds being published mont
The Republic declares that it is not responsible for bonds issue
der other than these precise conditions.

"Art. 3rd. On the due ratification of the present arrangemer
the Bondholders, the Government shall deliver to them an orde
the United States of North America for the sum of 2.000.000
lars, out of that part of the Indemnity money which falls due in
1851, and another order for 1.500,000 dollars out of that am
which will be due in 1852, provided that, on approval of thi
rangement, they shall agree to receive the said sums, together
those that they have received, and may yet receive, up to the
June 1850, in full satisfaction and discharge of the dividends
overdue, and of those falling due up to the said 30th June 1850

"Art. 4th. For the punctual payment of the interest of three-
cent on the new stock, thirty per cent of the import duties of all
maritime and frontier Custom-houses now established, or which
hereafter be established, are specially assigned. The paymen
the interest shall be made half-yearly, and if, on making the re
tance of the second annual dividend, any sum shall be wantin
complete the same, Government shall take such sum, with abso
priority, out of the other revenues.

"Art. 5th. The Bondholders may, if they deem it expedient,
point agents in the ports, accrediting them by that appointment;
from the moment that these agents receive the funds, all respo

bility shall cease on the part of the Mexican Government, which shall in no case be called upon to pay more than the usual charges of shipment or exchange.

"Art. 6th. Six years from the creation of the new stock of three-per-cent, there shall commence to be remitted 250,000 dollars annually, for the redemption of the bonds at the market price, provided that the latter does not exceed par.

"Art. 7th. Besides the Agent and Secretary in London already named by the Government, a Book-keeper shall be appointed in Mexico, and proper instructions shall be given to those officials as to the functions which they will have to discharge, and the system of accounts to be adopted by them; the expenses of the whole not to exceed 15,000 dollars a year, and to be charged on the thirty per cent. fund.

"Art. 8th. The Mexican Nation, through the medium of its representatives, passes a vote of thanks to the English creditors, for the concessions which they made in favor of the Republic in the Conversion of 1837, the Convention of 1842, and the Conversion of 1846."

This project, it will be observed, modified the exaggerated pretensions of Robertson, and was submitted for discussion to the Chamber of Deputies and to the Senate, the majority of whom were composed of the liberal party; which discussion resulted in the decree of the 14th October 1850. See Appendix, num. 21.

The Mexican Government rejects various projects, and communicates directly with the Bondholders.

As soon as the Mexican Government resolved on dedicating an important amount to the Bondholders, it was counseled to adopt various operations, which, if executed with ability, would unquestionably have been very advantageous. One of them would have been, to buy up its own debt in the market through Agents, and as soon as the amount was invested, either to have sold or changed it for the coupons payable at that time; but none of these plans, however tempting they may have been, were entertained by the Executive Power of that epoch, which decided on communicating frankly and honorably with the Bondholders themselves, offering to them the application of the $2.500,000 in hard cash,—not to redeem the principal, but to liquidate the interest account; to which sum was added the amounts remitted from the custom-houses, and deposited in the Bank of England.

On receiving the decree, the Bondholders called a General Meeting at the London Tavern on the 23rd of December 1850, when it was

almost unanimously accepted, in spite of the contrary prediction Mr. Francis Falconet,—who resided in this capital, in the capa of Agent to the Bondholders,[1] —and of the opposition which spr up both in London and in Mexico. There were no agencies, c misions, brokerages, nor obligations of any description, either for Bondholders or for Mexico; and if the Bondholders expended la sums on their agents, it was their own fault, because as soon as war with the United States, (which was an unlooked for event) had minated, the Republic brought into action the assignments of the C tomhouses, without the necessity of being instigated or compelled to ry out the arrangement she was so anxious for; which proves that steps, the projects, and the agencies of Messrs. Robertson and Fa net were entirely useless; consequently the disbursements made the Bondholders to pay these gentlemen were unnecessary thrown away.

Useless disbursements made by the Bondholders on account of their Agents.

It is not superfluous to repeat here that Her Britannic Majes Government did not at all interfere in any of these operati and the Minister who then resided in Mexico limited himself to commending an arrangement; but such recommendation, althc very estimable, was nevertheless unnecessary, inasmuch as the vernment did not require it in order to do, as it did, directly with creditors, all that it possibly could. Of all the arrangements operations that were made respecting the English debt, none v so advantageous as that of 1850; and whenever we meditate on subject,—irrespective of the offensive expressions of the Bondhol against Mexico,[2] —which were produced from the exasperation c ed by the want of punctuality in the payment of the dividends,- do not hesitate to eulogize their condescension and affability in plying with all the arrangements that have been proposed to tl

In proof of the impartiality with which we write this Report will manifest all the advantages obtained by the Conversion of 1 in order that by this means our Government may take the gre

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(1) It appears incredible that an operation made with so much good faith and honesty which evident advantages ought to have resulted to the treasury of Mexico, should hav with a decidedly systematic opposition in the Press of the Capital, but one part of it w Conservative Press, supported by Falconet, whose interest it was that no business wh should be done but through him.

(2) The latest Reports published in London by the Bondholders, contain severe and offi expressions against Mexico, which are not proper when they proceed from persons of a r table character. We will not take the trouble to refute them, but will simply explain th and the truth, inasmuch as this is the best answer that can be given.

care not to forfeit or depreciate the benefits acquired; and that it may avoid, either from precipitation or necessity, adopting the same course that was followed in the first transactions; which were, perhaps, the most imprudent and disastrous ever made by the Republic.

Before the decree of the 13th October 1850, the debt contracted in England amounted to the sum of £10.241,650, or 51.208,250 dollars, which bore an interest of five per cent per annum, payable in London half-yearly. Conversion of 1850. Internal state of the Debt

The amount due every six months was £256,041, and annually £512,082, which, at the rate of five dollars, makes.....$	2.560,410
For the redemption there should be set apart annually..	500,000
The payment of the dividends was confided to a commercial house, which received yearly for commissions, postages, &c., about.....	62,611
As the Government was obliged to pay the dividends in London, a prudent calculation of eight per cent. may be made for freights, embarkation, insurance, &c., which, on the value of the annual dividends, amounts to.....	204,832
The national revenue had to pay annually....$	3.327,853

Which amount, it is clear, is equivalent to more than one half of the net produce of the maritime customs, which is the most important revenue of the Republic.

Eight dividends were due, counting from the 1st July 1846, to the first of January 1851. The coupons were uncut, and consequently the responsibility of the public treasury existed.

There was to be paid to the coupons account:

For cotton permits.....$	680,000
Paid by the Tobacco Co. to the house of Mackintosh...	200,000
To the same house by the customs of Manzanillo.....	5,267
Total.....$	885,267
Amount of unpaid dividends.....	10.241,650
Showing a balance against the Republic of..$	9.356,383

These two simple liquidations give an idea of the annual obligations

of the Public Treasury previous to the decree of the 14th of October, for the payment of interest and commissions, and for the extra payments to satisfy the unpaid coupons proceeding from the Conversion of 1846.

By order of the Minister of Finance, the agency was removed from Messrs. John Schneider & Co., and a Financial Agent and Secretary were named at the cost of 12 or 13,000 dollars, economizing the difference between this amount and the annual sum of 62,000 and odd dollars, which were paid to the commercial house encharged with the Agency.

The decree of the 14th October reduced the annual interest to three per cent, payable half-yearly on the 1st of July and the 31st of December of every year. The same decree having fixed the Debt in the sum of £10.241,650, the half-yearly interest of the three per cent. amounted to £153,000 15 0, and in the year to £307,249 10 0, which, at the rate of five dollars to the pound sterling, forms the sum of..... ...$ 1.536,246 50

The expenses of the agency were limited by the 5th article of the decree of the 14th October, to..... 15,000 00

It being obligatory on the Government to pay the dividends in London, eight per cent is calculated for the charges of shipment, freights, insurance, &c., which amounts to..... 122,899 72

Showing the result of an annual liability on the public treasury, of.....$ 1.674,146 22

COMPARISON.

Demonstration. By the Conversion of 1850, the republic effects a saving of more than one-and-a-half million of dollars.

By the Conversion of 1846, the Republic had an annual liability of.....$ 3.327,853 00

By the decree of the 14th October, the Republic had to expend every year, in payment of the English debt..... 1.674,146 22

Yearly difference.....$ 1.653,706 78

These simple demonstrations incontrovertibly prove that this financial operation is, without any doubt, the best of any hitherto made; for supposing that the extinction of the debt contracted in London

could be effected in ninety years, a positive benefit would accrue of $148.833,335 94.

Respecting the eight unpaid coupons account, the liquidation was made in the following manner: The Republic liquidates the dividend account.

For cotton permits, and money paid to the house of Mackintosh..... $	885,267
Cash balance in the Bank of England remitted by the Mexican Customs, and which was paid to the Bondholders on the acceptation of the decree of the 14th October	1.079,811
Certificate of the American indemnity, which left the Republic, free of duty.....	2.500,000
$	4.465,078
The Republic owed.....	10.241,650
Amount in favor of the treasury.....	5.776,572

The first dividend of three per cent. was paid in London in the month of June 1851, by the Mexican Minister and the Agency, out of £ 51,000 which had been deposited in the Bank of England, from the remittances made by the Maritime Customs—£ 60,000 which the functionaries referred to obtained, by way of supplement, from the houses of Messrs. Murrieta & Escandon, in London, and Angel Gonzalez Echeverria, of Paris—and lastly, with the current remittances made from Vera Cruz and Tampico. For the anticipation of the £ 60,000, or $ 300,000 a remuneration of 27,500 dollars was granted. No person can dispute the justice and consistency of complying, in this respect, with the decree of the 14th October. The conversion had not been verified; consequently, by not fulfilling the compromises of the nation, even previous to the conclusion of the contract, the National Credit, as well as all the advantages referred to, would have been placed in jeopardy. Payment of the first Dividend in June 1851.

The new bonds, which were to be exchanged for the old titles of the conversion of 1846, were printed in London,—remitted to Mexico for the signature of the treasurers, and afterwards returned to the Agency for conversion, which, undoubtedly is concluded, as the Agent had already issued 49,397 of the three per cent. bonds, and collected and cancelled an equal number of the five per cent. bonds. Old titles changed for new ones.

The expenses of printing, remitting, packing, and freight of the Bonds referred to, did not exceed 5,000 dollars.

The second dividend was paid in the month of January following, a contract having been made with the house of Baring, Brothers, of London, through Mr. Francis Falconet, by which it was stipulated that these gentlemen were to pay to the Agent of the Republic in London, 800,000 dollars; they holding as security the Bills of the Maritime Customs for the sums assigned by the aforesaid decree of the 14th October to the payment of the English Debt, until the anticipation was repaid.

The sum of 70,000 dollars was granted to the house of Baring for the anticipation, interest, brokerage, and other charges; and as the Exchange was arranged at the rate of five dollars to the Pound sterling, there also remained in favor of the said house (more or less) 75,000 dollars, supposing that the average sales of Mexican dollars in London produced fifty-nine pence per ounce.

BENEFITS OBTAINED IN THE CONVERSION OF 1850.

Annual benefit obtained by the nation in the three per cent. interest, and economy of expenses in the Agency establishment.....	$ 1.653,706 78
Benefit in the payment of the 8 unpaid Coupons.....	5.776,572 00
Eight per cent. on the charges if this amount had been situated in London	463,125 00
	$ 7.893,403 78

EXTRA EXPENSES OF THE YEAR.

For the payment of the first dividend ..... $	27,500 00
For the printing &c., of the Bonds	5,000 00
For the payment of the second dividend.....	135,000 00
For the exportation duty, which was not recovered on the $ 2.500,000	200,000 00
$	367,500 00

COMPARISON.

Amount of the benefits obtained in the year by the Conversion of the decree of the 14 October.....	$ 7.893,403 78
Deduct extra expenses for effecting the Conversion, liquidating the Coupons, and paying the dividends.	367,500 00
Difference in favor of the public treasury	$ 7.525,903 78

Preference made by Mexico in paying foreigners.

Without concealing anything, and even, perhaps, exaggerating a little, we have demonstrated the benefits which the public treasury derived by the before-mentioned operation; but it should be added in favor of our country, that, be it as it may, Mexico gave a proof of her good faith and honesty by ceding so large a sum in paying her *foreign creditors, in preference to her citizens*, although the former also made great sacrifices and considerable abatements in order to obtain an arrangement which ultimately could not be fulfilled, because the sums that were promised to them, were expended by the Government in the ordinary necessities of the Executive Power: therefore it is proved by a practical fact, that when Mexico has funds, *she pays foreigners in preference* without the necessity of coaction, either moral or physical; for at that time, we again repeat. Her Britannic Majesty's Government did not interpose therein.

On the other hand, it is necessary to reflect, that besides the losses suffered by Mexico in commissions, charges, failures, and bad effects at an exorbitant price [1], which were received as cash, the Bondholders never *disbursed the full amount*, (as we have seen),— for one Loan was sold at fifty per cent., and another at 83¼; thus it is by no means certain that *the* 62.000.000 *dollars, which we at present owe, came out of the pockets or fortunes of the Bondholders;* but it is certain that Mexico has failed to pay interest from exceptional causes, and sometimes from unavoidable events; it is also certain that she has increased the primitive capital of the Bondholders by the successive capitalizations made at different periods.

1 The muskets delivered to Mexico, on account of the loan, were the refuse of the English army; the accoutrements, clothing and vessels, were of the very worst possible quality and at most exorbitant prices.

Reflections, purely commercial, touching the Loans.

Analyitically speaking, the operations made on account of the Mexican Republic in the London Market, are banking operations, —like all others of the same nature,—in which some individuals acquire a large fortune, whilst others, from bad calculation or other reasons, lose their money and become ruined. Enterprizes of railways, bridges, steam-boats, and canals, and also foreign loans, are similar operations on a grand scale, which are represented in glowing colors at the time of undertaking them; but which have their risks and difficulties in the course of time. If the outlay on the roads are excsssive; if freights and passengers do not produce sufficient to maintain them; if peace be disturbed; if a general war break out; then these enterprizes suffer,—the funds lower in value, and the individuals who purchased at a high price, lose; whilst others gain, who take advantage of a panic by buying at a low rate, for the purpose of selling at a higher price when the state of politics and commerce inspire hopes of improvement and prosperity.

As well as we can recollect, the Mexican Debt was worth from 25 to 28 per cent. at the time of making the Conversion in 1850. Mexico was indebted for unpaid Coupons 9.356,383 dollars, and paid to the Bondholders the sum of 4.465,078 dollars: therefore, the financial or banking operation was, in substance, to sell the Coupons for cash, at the rate of 48 per cent., which, at the price of the market, could not be valued at more than 15 per cent.; allowing that the price of the principal did not exceed 30 per cent.

What can be said to this, when Mexico sold her first Loan at 50 per cent. and only received about 5.000,000 dollars out of the 16.000,000 of bonds which passed into circulation? So far, as regards banking operations:—but if we treat of the moral and sacred obligations of Governments, we shall never tire of repeating. that the only way to establish a credit is to pay and fulfil all compromises with the greatest possible punctuality.

Arrangement of the house Lizardi.

On making the Conversion of 1850, a very serious question remained undecided. During the time that the house of F. de Lizardi & Co., filled the Agency in London, they were authorized to effect various operations, of the nature of which an idea has already been given;—for their services they claimed from the Government, not only the payment of the mercantile commissions they were entitled to, but also the sums supplied to the Mexican Legations in Europe by order of the said Government. In order to pay itself these commissions, the house of Lizardi, on arranging the Conversion, issued

a greater number of bonds than was necessary, to change for the old titles. When this was observed on the Exchange, demands were made against the said house of Lizardi, both on the part of the Mexican Government, and on that of the Bondholders. In the course of time the house succeeded in obtaining the approval of the Government under General Santa-Anna, to the payment of these commissions, and consequently, the manner of payment by the excess of Bonds; whilst the supplement account of monies advanced to the Legations remained pending and unliquidated. The Government which succeeded that of General Santa-Anna, were so averse to these arrangements, that the house of Lizardi,—represented at that time by the widow of Sr. Cubas,—still continued responsible for the adjustment of the said supplement account. This affair remained, for a length of time, in the same state, without the possibility of bringing it to a termination in any way, because the house of Lizardi persisted in excessive pretensions, whereas the Government was unwilling to make any concession.

First proposals of the house of Lizardi.

The repeated persistence of the house resulted in the admittance by Santa-Anna's Government, (which had returned to power,) of certain propositions consisting in substance in the withdrawal of all responsibility for the excess of Bonds which they had issued, and in intrusting to the Mexican Government the collection of £ 470,000 in the London Market, which had not been included in the amount of the Conversion of 1850, and also, that the said house was to receive 250,000 dollars from the Maritime Customs; thereby closing the accounts, and terminating the reciprocal demands.

In consequence of this arrangement,—which, whether it was modified or not, we do not recollect,—a decree was issued on the 30th of September 1854, (see Appendix, No. 22), by which it was ordered to raise a fund of £ 470,610 to convert the £ 784,350 of Deferred Bonds, emitted by the house of Lizardi.

The arrangement made by the house of Lizardi is annulled.

This decree, and all the subsequent steps relative to this affair met wtih a tenacious and decided opposition in London; so much so, that notwithstanding that the Bonds were printed and signed by the General Treasurer of Mexico, the Conversion was not effected.

In the meantime the Executive Power of General Santa-Anna fell. That of Sr. Alvarez, which succeeded, annulled the decree of the 30th September, and recalled all the Bonds which had been sent to London.

Although this measure produced temporary difficulties, and above

Commissioners:— *Manuel J. de Lizardi.*
Guillermo Prieto.
José María Iglesias.
B. Gomez Farías.

Representative of the late house of F. de Lizardi, of London:—*P. del Valle.*

Agreed to by.—*M. Payno*, Secretary of Finance."

During the Ministry of Sr. Lerdo de Tejada, this arrangement underwent a modification, but met with opposition in London, although it was ultimately accepted; and by the month of October 1861, the house of Lizardi had already collected and delivered to the Mexican Agency in London; the sum of £350,000 in Deferred Bonds.

This arrangement is referred to in order that no link shall be wanting in the historical narration of the Debt, but more particularly to prove that the *Liberal Government* has preferred to bear sacrifices, and to liquidate the account of the house of Lizardi, rather than consent to the increase of the debt and the new emission of more than 2.000,000 dollars which had already been decreed and carried into effect by the reactionary authorities, who, in the conception of the Spanish Ambassador, Sr: Pacheco, are the only parties who know how to govern the country and do justice.

Agents of the Bondholders at the Ports.

In conformity with the reiterated desire of the Bondholders, the Government of Sr. Comonfort issued a decree, dated the 23rd January 1857, [see Appendix num. 23], by virtue of which, and for the purpose of giving every kind of security to the Bondholders, it was agreed that agents might be appointed at the Ports to receive the funds ordered to be set aside, and remitted to them to London. The 2nd article of this decree liberated the Government from all responsibility, as soon as the money was in the possession of the Agents; which was very right and natural.

Bad consequences of the appointment of Agents.

The decree alluded to caused the most lamentable results. The agents recover commissions, and make charges, (perhaps excessive), which necessarily operate againts the Mexican Treasury, and against the Bondholders themselves, who, at least, suffer a decrease in their funds through the pilfering system of such various charges. Disputes and divergencies are frequent, without the influence of the Agents being as efficacious as is believed in London; because—it is necessary to repeat—that when the Mexican Government takes the funds from the Customs, it is not from a spirit of irregularity, nor from a desire to mortify the creditors, but because the imperious necessity

of self-preservation obliges the Government to do so. All authors on the Rights of Nations (*derecho*) accord, that *Republics are strictly obliged to provide for their proper conservation.* The moment this cause ceases, the funds are immediately regulated, and the administrators of the Maritime Customs, who are generally intelligent and zealous, transmit the funds without any necessity of cooperation on the part of the agents.

Experience proves the exactitude of these statements. The Constitutional Government remitted all the sums set apart by the Custom-houses of Vera Cruz and Tampico, and these sums were delivered to the Agent in Mexico, so that, in conformity with the 2nd article of the decree referred to, all responsibility ceased on the part of the Government. Why did not the Agent remit them by the convoys? Why did he not buy Bills of Excharge therewith? Why did he note distribute them amongst various houses, instead of having agglomerated in one particular place such a considerable amount of money, under such critical and terrible circunstances? Why, in conclusion, did he deprive the Bondholders, for many months, of the advantages of receiving this amount? The attention of the Bondholders themselves was called to this particular, and in the beginning of their *Report* of the 29th April 1861, they refer to this point in the paragraph which follows:

"The sums received by Mr. Whitehead from the Custom-houses
"of Vera Cruz, from September 1858, to October 1860, amounted to
"877,361 dollars 94 cents. The following question has been asked
"Why has such a sum been permitted to accumulate in the capita
"instead of being forwarded to Vera Cruz for shipment, and wh
"when the money belonging to the merchants has been able to
"rive in safety, the same could not have occurred with that belong
"to the Bondholders?

"The answer to this question is, that during the whole of
"time, only two convoys went down from Mexico to Vera Cruz
"in the opinion of the British Minister, with whom
"had to consult, according to his instructions, neither
"sufficient security; and in reality, neither *of them*
"*being more or less robbed.*"

It is to be observed, that the answer for said
not satisfactory and much less is it certain
robbed. They arrived at Vera Cruz without

This is the very difficult position in which the Constitutional Government has found itself.

As in 1847, an *unconstitutional* [illegible]—which was the war with the United States of the North—interrupted the remittances from the Customs, so in 1857, another unconstitutional [illegible], which was the Reform revolution, as it has been called, interrupted in the same manner the regularity in the remission of funds.

We imagine that the members of the Committee of Bondholders, ought to have an idea of what a revolution is. If not from experience,— as England has for a number of years been a perfectly tranquil country,—at least from the study of history.

In our remarks on the peregrine discourse of Sr. Payno, we had to make some references to the political events which have transpired in the Republic during the last three years, and now, that they may serve as a substitute to the Bondholders, or rather as an answer to the untruths therein [illegible] which they have put forth in their recent publications against Mexico, we are compelled to repeat a part of what we then said, and to add whatever may be most conducive.

In 1857 by the political movement of Sr. Comonfort,—not from the initiative of an office which he legitimately held already, but from the lamentable and erroneous belief that a modification in politics would establish peace and order in the country, *particularly peace*,—the constitutional order was interrupted for a few days; but Sr. Juarez and many of the liberals who were his friends, and who filled prominent positions in the State, less unwilling in the vain and immoral projects of reconstruction more stable in their convictions, and above all decided not to depart (although at the cost of their lives) from the path of constitutional legality, a path never trodden or ever followed with energy and constancy until 1857,—opposed the movement of Sr. Comonfort and without knowing whether they could count or not on the physical force, appealed to moral resistance,—a resistance of which little or no use had hitherto been made. To the moral force,—which consisted in the legality with which Sr. Juarez as President of the Court of Justice, stood, according to law the reins of Government,—the physical force was then united as the States overlaid their citizens, provided them with arms and made a desperate resistance, generally with glory, though without fortune; because the States which had no pecu-

ment troops, could not provide in a moment soldiers who could conquer the disciplined men, inured to war, which the reactionary Government had organized in the Capital. Sr. Juarez, as we have said in our remarks on the discourse of Sr. Pacheco, proceeded from the interior to Vera Cruz, and if for a few days he abandoned the country, it was because he had no other secure road than by the way of Panama; as to pass through Mexico, would have been to deliver himself into the hands of the enemy.

When the Constitutional Government was once installed in Vera Cruz, the battles gained by the reaction had little or no influence in diminishing the moral force which accompanied Sr. Juarez wherever he went; and the result was (which cannot be denied), that the majority of the Republic adhered to his principles, and if they did not obey,—for in a thorough revolution, obedience cannot be complete and rigorous,—it is nevertheless true, that all the States made strenuous efforts to throw off the yoke of the armed force, which was the only title whereby the reactionaries occupied the ground they held. It is not necessary to be a partisan in order to write this; it is sufficient to be impartial to confess the fact, and in the absence of further proofs, the existence of the Government of Sr. Juarez, which is recognized from California to Yucatan, is the most evident and positive testimony that can be presented.

We admit that it is difficult to define with precision the constitutional rights of nations which are, like ours, distracted with convulsions and anarchy; but there is no remedy,—men who occupy certain positions in this world have to become acquainted with all these facts, and with many others, however difficult their nature may be, or expose themselves to commit lamentable errors, of which, (by a sad, but unchangeable law), the weak are almost always the victims, although they will ever have the consolation of being supported by reason and justice. We do not make these remarks without their having an application.

The foreign ministers aided the reactionary Government with their influence.

That the passions of men who discharge a diplomatic mission should be moved by the opinions, the realities, and the events of the country in which they reside, cannot, perhaps, be avoided; but, nevertheless, the maxims of the rights of nations prescribe an absolute neutrality

Viscount Gabriac, who preserved the most perfect and cordial harmony with the Government of Sr. Comonfort, was notoriously averse to that of Sr. Juarez; inasmuch as that he not only limited himself to

recognizing the authorities *de facto* (*de hecho*) which came into power in the capital, but he opposed the Constitutional Government by every means that the influence of his position commanded. Precisely the same may be said of Mr. Otway; therefore the very little, but necessary intercourse, which they had with the functionaries at Vera Cruz, was always of a character similar to treating with a disturber of the public peace and a rebel, rather than with a recognized authority possessing the legitimate rights to govern a country; so that England—which, for more than one reason, sympathized with the liberal party of Mexico—opposed it, perhaps unknowingly, through its representative. With a decided policy, the United States has never for a moment abandoned the Constitutional authorities, either in their prosperity or adversity.

Apart from the moral force of the Government of Sr. Juarez, which we have already indicated, it possessed all the advantages that its residence in Vera Cruz could command,— a strongly fortified town, which, without the cooperation of ships of war, could not be taken, as in fact it was not, by the forces of Miramon.

Thus all the efforts consisted in endeavoring to dislodge the Government from its residence, in which case the definitive triumph of the reaction was almost certain, as the Constitutional forces of the interior might be conquered with ease, as had already happened.

To this political end, the reactionary Government cooperated, urging the Ministers of France, England and Spain, that the vessels of war should demand payments in Vera Cruz, in strict and peremptory terms, and oblige the Ministry to increase the sums assigned to the conventions; for this purpose a small squadron was armed and equipped in the Havannah; and the Spanish bark "*Concepcion*," was freighted with provisions for the camp that left the city of Mexico to besiege the former place. But all these measures were inefficacious, and concluded in a manner diametrically opposite to what was anticipated. The city of Vera Cruz was not taken: by resisting all the attacks, Sr. Juarez maintained his position, and the Bondholders suffered a loss, because all the funds which were remitted from Vera Cruz to the capital, fell, in the calle de Capuchinas, into the hands of those who had been so flattered and protected by Sr. Gabriac, Sr. Otway, and above all by the Ambassador Pacheco.

The Bondholders would have improved their condition by treating directly with the authorities of Vera Cruz.

If the Bondholders had treated with the Constitutional Government, which held all the Custom-houses, the entire remittances would not have been applied to the necessities of the internal war; but of

a certainty, moderate amounts would have been remitted monthly to London, and notwithstanding all the inconveniences and calamities of the three years, not only the sixth, but also the seventh, and perhaps the eighth dividend would have been paid.

The circumstances which we have taken notice of, produced a momentary alteration in the established order of the English debt, inasmuch as the Constitutional Government of Vera Cruz had to enter into an arrangement on the 3rd of February 1859, relative to the separation of funds, with the Commander of the British naval forces in the Gulf, (Appendix document num. 24), and subsequently another with capitain Aldham, (see num. 25), by which an additional ten per cent. of the import duties was stipulated to be set aside to cover the sums taken by the Government during the year 1860.

We mention these arrangements here, because, as they were made with Commanders of H. B. M. Ships of war, it has given room to some parties to believe and sustain that the debt contracted in London had already changed its character, and was converted into a *diplomatic convention* perfectly concluded.

This is a notorious error, but it is not superfluous to rectify it here, particularly for the knowledge and information of some of our compatriots, who may not be well informed in these affairs.

Convention with Captains Dunlop and Aldham.

The convention made with Captains Dunlop and Aldham, can only possess a merely provisional character. In a case where the interests of the subjects of a nation require the intervention of Captains and Commanders of the navy, they ought, with or without instructions from the Ministers Plenipotentiaries, to present themselves to render assistance wherever it may be necessary, but between this and the celebration of a treaty or a convention,—for which purpose it is requisite to be invested with an especial character, and with full powers and instructions from the Sovereign,—there is a great difference. (For the documents, see Appendix.)

Important explanation of the Dunlop convention.

In order that the agreement with Captan Dunlop R. N. might not thereafter serve as a precedent, (scarcely suitable, perhaps, to the interests of the Republic), Sr. Ocampo, then Minister of Foreign Affairs, did not omit to make an express and conclusive declaration in the 10th article, which we consider convenient to insert.

"Article 10th. That in case of His Excellency the Constitutional "President *ad interim*, should occupy the Capital, as it is to be hoped "he may from his good rights, and in virtue of the will of the ma-"jority of the nation, he shall sustain, because he believes it just,

" what is herein stipulated; *but he declares, that in as afar as these* " *stipulations may serve as a basis for any future diplomatic convention,* " *he deems it convenient to reserve to himself, and hereby reserves ac-* " *cordingly, the natural right of discussing how and in what manner* " *they are to be carried into effect when the respective application shall* " *be made in regular and due form.*"

Thus, as much by this declaration, as by all the antecedents of the debt we are speaking about, it remains clearly shown that it is a debt of the Mexican Government, raised in the London Market; and as the titles are payable to the bearer, and change owners every moment, no fixed nationality can even be assigned to the Bondholders, although it may be supposed that the majority of them are English. In the various conversions and alternatives which this debt has undergone, particularly when from any circunstance the remittances have been interrupted, the Bondholders, now in London directly, now in Mexico, through the medium of their agent, have gone to H. B. M. Legation that it might interfere in this affair; but the Legation has limited itself to demand, in more or less energetic terms, the restoration of the sums taken by the maritime Custom-houses. In all the correspondence which we have examined, we have not been able to deduce that *the debt has up to this moment varied in its character*, nor, that with any foundation can it be said to be now a diplomatic convention, and much less a debt from Government to Government; but if such were the case, the presence in this Capital of a financial agent of the Bondholders, who is not invested with any diplomatic character, would be entirely useless, as the Legation only would understand in these affairs.

We are ignorant of what may be the instructions given to the Regal Commissioners thereon, and of what arrangement it may be possible to make for the payment of the unpaid interest and the current dividends; but to place them in a clear light, we have considered it necessary to take notice of these *antecedents, in order that the attention of the Supreme Government may be directed thereto.*

The Bondholders, who had manifested themselves in favor of the Constitutional Government of the Republic, entirely changed their opinion,—as may be seen by their last Report published in London, [1] —as soon as no application whatever was made of the produce

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1. "Report of the Committee of Mexican Bondholders. April 29th 1861. Printed and published by Letts, Son, & Co."

of the ecclesiastical property. We have already clearly shown that our particular opinion was, that a part of the value of this property should be dedicated to make a combination in order to redeem a part of the debt; but as this could not be done, for the very special circumstances which originated the said revolution, it is indispensable, by adopting a distinct basis, to form another combination for the arrangement of this, and the rest of the pending questions.

Exaggerated accounts in Europe, respecting the value of the church-property.

The accounts which the Bondholders obtained of the value of the Church-property in the Republic, were not only exaggerated, but some of them positively false. We regret very much that too limited a space of time will not allow us to make a few official and special rectifications; but we can, without fear of committing ourselves, speak of them in general.

The Bondholders assert: "the Government of Great Britain is interested in helping us, with the object that the Government of Mexico may give us ample security for the payment of what it owes us for unpaid interest, and fortunately Mexico is in a situation to grant us this security by the mortgage of lands and houses which represent a capital of 12.500,000 dollars; and in a country where the interest is 12 per cent. per annum, it is easy to obtain by this means an annual income of from 6 to 700,000 dollars, which should be placed in the hands of trustees named by the Bondholders, in order to pay off the arrears."

With general informations the errors of the Bondholders are rectified with respect to the value of the church-poperty.

It is immediately observed, that there is a lamentable mistake, which it is important to rectify. The income of the clergy of the Archbishopric of Mexico, which was the richest of all before the laws of desamortization were enforced, hardly yielded annually from 5 to 600,000 dollars, and not only the prebendaries, monks, and chaplains were maintained by this sum, but also the nuns, to each of whom Government, notwitshanding the laws of Reform, has been obliged to cede a dowry of 3 and 4,000 dollars, because it was their private property. Besides, in this income were included those sums destined to hospitals, work-houses, orphan asylums, and other charitable institutions, which Government could not abandon nor close without injury to civilization; whereby, deducting these amounts and those expended by the Church, an income of barely 250 to 300,000 dollars could have been disposed of.

Thus, although all the property of the Archbishopric of Mexico should have been assigned as a pledge to the Bondholders, it would not have amounted to one half of what they calculated. It is true

that money gains 12 per cent. per annum., but real property, that is to say, the *houses and lands* which they wished should be assigned to them, do not produce yearly over from 3 to 4 per cent. One or two private individuals, by great economy and personal exertions, make their lands or houses yield 7 or 8 per cent., and those cases where real property produces 12 per cent. or more, are very rare and cannot form a general rule. To this must be added, that during the three years of war, the Constitutional Government compromised itself for the payment of considerable sums, particularly with foreigners, at the same time that the Government of Miramon did the same thing.—probably to a greater amount,—as the best houses of the city were sold, and the best capitals which might have presented landed property as a security, were negotiated. But the calculations of the Bondholders, are founded on the very exaggerated accounts communicated to them.

Three Reports have served as a basis to the Bondholders to form their calculation and to establish their expectations.

The first is that of Dr. Mora, who calculated the amount of the Church Property to be $179.163,754; but if 30,031,894 dollars are deducted, which he considered unproductive, there would remain a net value of 149.131.860 dollars. The Bondholders say, that from the year 1852 up to the present time, the property must have increased, whereas it is precisely the contrary; first, because from that time up to the present, the clergy have made many and considerable disbursements, by lending to the Government large sums of money, which obliged them to sell their houses at very low prices; and secondly, because the careless management of a large mass of property depreciated their value. Thus, this report is by no means correct, as the results of the present epoch too clearly prove.

The second Report is founded on a valuation of the Contribution Office, from which it would appear that the real property of the Republic is valued at 1.555 millions of dollars; and the third is from a letter of Mr. Mathew, which was presented to Parliament and in which—taking for granted the information furnished by the Contribution Office, and asserting that nearly two-thirds of this property belonged to the clergy—he naturally concludes that the property which passed into the power of the nation by the Reform laws, were worth in round numbers 300 millions of dollars.

It was thought that with such reports, the Bondholders should [illegible] to be applied to the payment of their

rears. He who can dispose of 900 millions, undoubtedly makes no effort in assigning to his creditors eight or ten per cent. They have also great reason to be offended and irritated when the Government of Mexico, which has disposed of so many treasures, has not even paid the slightest portion of the large sums due to them.

With such reports, and others given by Mr. Pachecho, the presence of foreign troops in our territory is not to be wondered at. There has been a great mistake throughout, as much in the political as the financial questions, and we have great hopes that when the truth is once known, and that by placing the largest number possible of official and statistical reports before the Regal Commissioners, the difficulties will be arranged within the sphere of human efforts, and with regard to the wealth and resources of the Republic. We do not know whence Mr. Mathew could have gathered his information, if it were not from the simple assertions of some individuals, and in order to rectify the error we will say a few words on this subject. Direct taxation is new in our country, consequently, the contribution office neither has, nor can have, even a slight knowledge of the value of real property. The sum of one thousand, three hundred and odd millions at which it is estimated, is altogether exaggerated. With a few years of peace that sum would not be improbable: at present, it can be asserted, that it does not amount to one half. It is still less true that two thirds of that property belonged to the clergy; therefore, the Government, has not in fact been able to acquire, between Bonds of the interior debt and money, even the sum which the Bondholders wished to have assigned to them, although the amount of the property in the different Archbishoprics may be computed at much more; but we have said that in has been obliged to deduct the capitals dedicated to charitable institutions, the dowries of nuns, benefices, &c., and to bear the defalcation which we have indicated that property suffered during the period of the revolution. This has been the real state of things.

In the Report referred to of the Bondholders, which we have before us, and on which we bestow our attention in order to complete the historical narration up to the present time, they aspire, as we have said, to

Additional assignments which the Bondholders aspire to.

An income of from 600 to 700 thousand dollars on the property of the clergy, and moreover to

12½ per cent. additional of the import duties.

5 per cent. of the export duties from the Custom-houses in the Gulf.

10 per cent. of the export duties from the Custom–houses in the Pacific.

26 per cent. of the import duties as soon as the English Convention becomes extinct.

Consequently, if such an arrangement were agreed to, it would follow that they would have:

63 per cent. of the import duties of all the Customs.

85 per cent. of the export duties in the Pacific, and

10 per cent in the Gulf.

However little Mexico might have to assign to Spanish and French claims, the result would be that it would have to relinquish all its Maritime revenues to the creditors, which were, the only resources it possessed to carry on the administration. Such pretensions are not astonishing when they are led to believe that the Government of Mexico possess a treasure of 900 millions.

The occupation of the port of Vera Cruz by the allied forces in February last closes our first historical period, and the second will commence with the arrangement which may be hereafter made.

Under date 14th of September, the agent of the Bondholders in Mexico communicated to this Government some of the resolutions of the Committee (see Appendix No. 26), by which a very hostile spirit against the Republic may be seen, and the pretension, which is already an old one, that the Government of H. B. M. should convert as its *own debt*, that contracted by many and various individuals with Mexico. Subsequently Mr. Whitehead addressed a note to the Government proposing that all the waste lands of the Republic should be mortgaged to the Bondholders. All this will be matter for an arrangement, which we doubt not will be satisfactory, considering the good–will and favorable disposition shown by the representatives of the allied nations, and the Supreme Constitutional Government of the Republic.

In order to make this narration more easily understood, and to throw a proper light on what may have to be done hereafter we accompany it with various demonstrations which, in whatever way they may be considered, will contribute to render it duly explicit.

The document market letter A, is a general liquidation of money paid by the Republic destined for the redemption of capital, and payment of the interest of the English Debt.

The document marked letter B, shows the only amount which the nation received from the first two Loans; and as since that of Barclay the Bondholders have made no cash disbursements, the real result is that even admitting the sums to which the charges, failures and commissions amounted, to have been delivered, the Republic received 11.000,000 paid 29.500,000, and owes to day 64,000,000 of dollars. If this affair has been a bad one for the Bondholders, it has assuredly been very bad for the Republic, and if the Bondholders have made sacrifices—which we have been the first to acknowledge, analyze aud eulogize,—the Republic has certainly not made inferior ones, because nations enjoying undisturbed peace can claim little credit in paying off with punctuality the interest on their debts; but those nations which are an inevitable prey to civil wars, deserve, if not encomium, at least consideration, and are subject as the world knows, to the unfortunate and painful destiny of all new countries in the commencement of their political career, which starve, so to speak, their own children, in order to pay their creditors *the most they possibly can.*

Although the accumulation of the debt proceeds from the non-payment of the interest, it is necessary to reflect, that if the rate of interest had been from the beginning what was usual in the London Market, Mexico, with the sums she has paid, would evidently, more or less, have met her engagements and this debt would not have reached the present enormous sum.

The sums expended by the various Bondholders in the two Loans, amounted to 21.000,000 dollars; of which one fourth part was almost immediately redeemed; therefore, in the years 1826 and 1827 it must have been reduced to less than 16.000,000. If to this sum, which might have been the real amount, including commissions, charges, and losses, the rate of interest generally charged in England and France of 4 per cent. or that of 3, had been assigned thereto, the result would have been that with 540, or say 600 thousand dollar annually, including the charges, the interest would have been paid, which in the space of thirty-eight years would have amounted to 10.500,000 dollars. All this serves to prove that the bad management of the affairs—the excessive advantages which it is endeavored to derive therefrom—and, lastly, the exaggerated and impossible pretensions, place them in a worse condition for the creditors themselves; because when a debtor has not the human power to comply with his compromises, the creditor reaps no benefit, neither by

threatening him nor by pretending to do by force that which force itself cannot effect, that is, to extract money whence there is none. Nations do not become insolvent like private individuals. They have long life, and wealth which does not finish in the fortunes of their citizens. The question is simply one of arrangement, of prudence, and of time.

We make all these reflections in consequence of the publication of the Bondholders, wherein we have observed very offensive phrases, and, moreover, such as the Constitutional Government does not deserve; which, very far from having the slightest participation in extracting the money taken from the calle de Capuchinas, set aside more than 800,000 dollars from the Custom-houses, in an epoch and at the time when it had no means whatever of providing the necessary resources to continue a campaign which it was obliged to undertake, in order to enforce the important principle of respect to the civil law, and to the give, once for all, a proof that insurrections by armed force are not always to overcome the laws, which, good or bad, have possessed an unquestionable character of legality.

On the other hand, we are aware of the urgent necessity for an arrangement, and that the Nation, without humbling itself, for which there is no necessity, should give to the Bondholders the greatest and most ample security for the future. Whatever may have been the ruinous terms of the first contracts, the justice of the creditors is clear, and they have the most perfect right to the fulfilment of the stipulations of the decree of the 14th October 1850, and we have no doubt that the Constitutional Government will adopt measures to comply therewith, admitting the good faith and best desires which animate it to conclude this question on just and convenient terms.

The document marked letter C, is the current account of the dividends paid; and that market D, is the redemption account which ought to have been made in conformity with the said decree of the 14th of October. Lastly, that marked E, is the statement shown by the material operation of the Conversion of 1850, which should be considered as concluded, and by which may be observed the order, method, and regularity with which it was made, w[illegible] ther having been either false bonds, or complicated liquid[illegible] ficulties of any nature; for the only one that presente[illegible] of the deferred bonds of the house of Lizardi—is bein[illegible] as we have insinuated, and will, gradual[illegible] ely.

means of the punctuality and energy with which Sr. D. M. J. de Lizardi has complied with the clauses of his contract with the Supreme Government.

We believe that the parties, as well in Mexico as those in Europe, who are interested in the arrangement of this question, will find it treated with the greatest possible perspicuity, and in order to resolve any doubts that may arise, the Appendix may be consulted, where, as before mentioned, all the laws and dispositions relative to this affair are compiled.

A.

GENERAL ACCOUNT of the sums paid by the Government of the Mexican Republic, in cash, to the Bondholders, from the date of the contract (7th February 1824) for the first Loan, up to the present time.

1824.			
April.	By amount of an ordinary redemption of the Goldschmidt Loan.....$	250,000 00	
October.	By do., for do.....	277,000 00	
„	By do., for interest on the said Loan in one year ending the 1st of this month.....	793,750 00	
			1.320,750 00
1825.			
April.	By an ordinary redemption of the said Goldschmidt Loan.....$	116,500 00	
„	By an extraordinary do..	313,500 00	
May.	By do. do..	325,500 00	
June.	By do. do..	330,500 00	
July.	By do. do..	326,000 00	
August.	By do. do..	333,000 00	
September.	By do. do..	333,000 00	
October.	By an ordinary do.....	200,000 00	
„	By an extraordinary do..	352,500 00	
„	By do. of the Barclay Loan.....	107,500 00	
	Forward .....$	2.738,000 00	1.320,750 00

	Forward.....$	2.738,000 00	1.320,750 00
October.	By amount of interest on the Goldschmidt loan for the year ending the 1st of this month.....	734,100 00	
„	By amount of interest on the Barclay loan for nine months ending the 1st of this month	720,000 00	
November.	By an extraordinary redemption on the Goldschmidt Loan.....	390,500 00	
December.	By do. do.....	452,500 00	
			5.035,100 00
1826.			
January.	By an extraordinary redemption of the Goldschmidt Loan.....	391,000 00	
„	By three months interest on same, ending 1st instant.....	149,993 75	
February.	By an extraordinary redemption of said Loan.	420,000 00	
„	By do. of the Barclay Loan.....	135,000 00	
April.	By do. the Goldschmidt do.....	129,750 00	
„	By do. do....	206,250 00	
May.	By do. do....	200,000 00	
„	By value of four Bonds redeemed of the Barclay Loan.....	3,000 00	
July.	By six months interest of the Goldschmidt Loan, ending 1st instant.....	273,012 50	
„	By three months interest of the Barclay Loan, ending 1sth instant.....	711,112 50	
	Forward.....$	2.619,118 75	6.355,850 00

	Forward.....$	2.619,118 75	6.355,850 00
October.	By do. do. of the Goldschmidt Loan, ending 1st instant.....	133,178 12	
„	By do. do. of the Barclay Loan, ending 1st instant.....	236,317 50	
			2.988,614 37
1827.			
July.	By nine months interest of the Goldschmidt Loan, ending 1st instant	399,534 38	
„	By do. do. of the Barclay Loan.....	708,952 50	
			1.108,486 88
1831.			
July.	By a half dividend of the Barclay Loan, ending 1st instant.....	133,158 75	
„	By do. of the Goldschmidt Loan, ending same date	66,589 06	
			199,747 81
1832.			
July.	By two half dividends of the Goldschmidt Loan, for six months, due on the 1st January and the 1st instant.....	266,356 25	
„	By do. of the Barclay Loan, for the same time.	472,635 00	
			738,991 25
1833.	By remittances made during the year by the Customs of Vera Cruz and Tampico.....		212,330 69
1834.	By do. do. of Tampico...		20,678 75
1835.	By do. do. of Vera Cruz..		1,309 56
	Forward..... .....$		11.626,009 31

	Forward..... ....$			11.626,009 31
1840.	By do. do. of Vera Cruz and Tampico.....			351,334 12
1841.	By certificates of the house of Lizardi, paid by the Maritime Customs of Veracruz and Tampico, from 1838 to the end of this year.....	1.499,664 37		
	By cash remittances from said Customs.....	254,412 47		
				1.754,076 84
1842.	By do. do....			592,065 61
1843.	By do. do....			663,451 88
1844.	By do. do....			818,823 38
1845.	By do. do....			367,751 17
1846.	By do. do....			301,874 94
1847.	By amount paid by the General Treasury to Messrs. Manning & Mackintosh, in conformity with their contract, to remit to London for the payment of the dividends	316,903 14		
"	By value of cotton permits delivered to the same parties, to replace the sums which were not received by the Bondholders from the Customs.	679,902 00		
				996,805 14
1848.	By cash remittances from the Custom-houses of Vera Cruz and Tampico	96,880 36		
"	By bills from Vera Cruz and Tampico, delivered to Messrs Manning & Mackintosh.....	62,608 04		
				159,488 40
	Forward.....$			17.631,680 79

	Forward.....		$ 17.631,680 79
1849.	By amount of cash remittances made by the Custom-houses of Vera Cruz, Tampico, Mazatlan, Guaymas, and Manzanillo; and also paid by the tobacco revenue, and by the Treasurer General		2.268,543 09
1850.	By amount of cash remittances from the Custom-houses of Vera Cruz, Tampico, San Blas, Mazatlan, and Guaymas; and also paid by the tobacco revenue.....	749,853 56	
„	By amount of remittances made by the Customs of Tampico, to the Bank of England, on the 3rd December of this year..	14,000 00	
			763,853 56
1851.	By amount of Certificate drawn on the United States of America, which was paid to the Bondholders.....		2.500,000 00
1854.	By amount of six half dividends from the 1st July 1851 to the 2nd January 1854, at the rate of £153,624-15-0; at 5 $ per £.....		4.608,742 50
1856.	By value of a Certificate delivered to the house of Lizardi, drawn on the United States of America, with the object of		
	Forward.....		$ 27.772,819 94

	Forward.....$		27.772,819 9
1856.	accommodating the pending questions, and to call in the deferred Bonds.....	200,000 00	
„	By amount paid to said house, by orders on the Martime Customs.....	250,000 00	
			450,000 00
„	By amount of interest paid to Messrs. Murrieta & Co., on funds advanced to complete the first dividend of July 1851...		60,000 00
„	By amount of premium paid to Messrs. Baring, Brothers, & Co., on funds advanced to complete the second dividend.....		70,000 00
„	By value of export duties, calculated at the average rate of 6 per cent., which were not recovered by the Mexican Government on $15.685,308, and which may be taken as the amount that has been destined for the payment of dividends, and left the Republic free from duty		941,118 00
„	By expenses of the Agency in London, from 1851; eleven years at $15,000		165,000 00
„	By balance due by Don Francisco de P. Falconet, which must be charged to the account current		
	Forward.....$		29.458,937 9

	Forward.....	$ 29.458,937 94
	of the Bondholders, from 1850 to date.....	25,000 00
„	By printing Bonds of the Conversion of 1850, and sundry other expenses	20,000 00
„	By amount of premium paid Messrs. Jecker, & Co., on funds advanced for payment of the third dividend.....	32,000 00
	Total.....	$ 29.535,937 94

NOTES.

1st. Between the account presented by the house of Lizardi to Mr. Murphy, of sums remitted to London, (inserted in this Report under num. 7), and the account furnished by the Treasury, there is a considerable difference, which arises, probably, from the account of Messrs. Lizardi beginning in April 1840, and terminating in September 1843, whereas the account which has served as a guide for this liquidation refers to the natural years from January to December of the same period.

2nd. In the calculation of export duties, the amounts credited to the Bondholders for Cotton permits and payments by the Tobacco Company, are not comprehended, because it does not appear in the General Treasury that such sums had been exported free from duty.

3rd. The commissions paid on the first Loans do not figure in the account of expenses, so that they will form a separate liquidation: therefore, the sums expended in the Agency from the Conversion of 1850 up to date, are only included.

4td. Neither are the costs of freights, insurance, and other petty charges, mentioned in this statement; because, from a prudent calculation, they are compensated by the profit resulting from the sale of dollars in London.

B.

LIQUIDATION of charges and commissions paid by the Republic, and of the losses suffered in the Loans contracted in London; which amounts do not appear in the foregoing statement, letter A.

By loss in the sale of the first Loan of 16 millions of dollars at 50 per cent ..... $		8.000,000 00
By d° of the second Loan of 16 millions at 86¼ per cent		2.120,000 00
By commission paid to Messrs. Goldschmidt & Co.		25,167 65
By expenses incurred in issuing the Bonds.....		11,880 06
By do. by an arbitration.....		15,388 05
By commission on sales paid by the house of Barclay & Co.....		832,800 00
By sundry petty expenses.....		7,311 06
By interest paid to the house of Barclay & Co....		20,712 31
By balance of account remaining due to the Government by the house of Barclay.....		1.519,644 16
		$ 12.552 903 29

ANALYSIS.

Debt of the Republic for the two Loans of Goldschmidt and Barclay ..... $		32,000,000 00
Redemptions and interest to 1832, as particularized in the statement, letter A.....	11.381,690 31	
Charges, commissions, and losses, according to this statement....	12.552,903 29	
		23.934,593 60
Amount received by the Republic in money and effects		8.065,406 40

NOTE.— Although in the historical narration of the Debt a round sum is mentioned of 11.000,000 of dollars, received by the Republic from the two Loans, it is because on fixing the amount, the loss suffered by the Republic through the bankruptcy of Barclay and the expenses of commissions paid to the same house are included; but really and positively, no sum was received in the General Treasury of Mexico, beyond those expressed in this account.

Mexico, March 10th 1862.

Florencio Delahanty.

C.

ACCOUNT CURRENT of the dividends due and paid on the Debt contracted by Mexico in the London Market.

						DEBIT.
By amount	of half a	dividend	due	1st July	1851.	$768,123 75
„	do.	of the 2nd	do.	„	2nd January 1852.	768,123 75
„	do.	3rd	do.	„	1st July „	768,123 75
„	do.	4th	do.	„	2nd January 1853.	768,123 75
„	do.	5th	do.	„	1st July „	768,123 75
„	do.	6th	do.	„	2nd January 1854.	768,123 75
„	do.	7th	do.	„	1st July „	768,123 75
„	do.	8th	do.	„	2nd January 1855.	768,123 75
„	do.	9th	do.	„	1st July „	768,123 75
„	do.	10th	do.	„	2nd January 1856.	768,123 75
„	do.	11th	do.	„	1st July „	768,123 75
„	do.	12th	do.	„	2nd January 1857.	768,123 75
„	do.	13th	do.	„	1st July „	768,123 75
„	do.	14th	do.	„	2nd January 1858.	768,123 75
„	do.	15th	do.	„	1st July „	768,123 75
„	do.	16th	do.	„	2nd January 1859.	768,123 75
„	do.	17th	do.	„	1st July „	768,123 75
„	do.	18th	do.	„	2nd January 1860.	768,123 75
„	do.	19th	do.	„	1st July „	768,123 75
„	do.	20th	do.	„	2nd January 1861.	768,123 75
„	do.	21st	do.	„	1st July „	768,123 75
„	do.	22nd	do.	„	2nd January 1862.	768,123 75
„	do.	23rd	do.	„	1st July „	768,123 75
						$ 17,666,846 25

							CREDIT.
By	amount	of	1st	dividend	paid in	July 1851.	768,123 75
„	do.		2nd	do.	„	January 1852.	768,123 75
„	do.		3rd	do.	„	July „	768,123 75
„	do.		4th	do.	corresponding to January 1853.		768,123 75
„	do.		5th	do.	„	July 1853.	768,113 75
„	do.		6th	do.	„	January 1854.	768,123 75
							$4.608,742 50

COMPARISON.

Amount of Debit.....$	17.666.846 25
do. „ Credit.....	4.608,742 50
Balance against the Republic to 1st July next .....$	13.058,103 75

NOTE.—This account current is made in round sums, and without including the amount remaining unremitted by Mr. Whitehead, as 25,000 dollars were applied by Mr. Falconet to the payment of his commission as the late agent of the Bondholders, and which must be charged to them; as also any remittances or payments that may have been made by the Maritime Customs, and of which no advice can yet have been received.

Mexico, March 10th 1862.

Florencio Delahanty.

D.

REDEMPTION ACCOUNT.

In conformity with the 4th article of the Decree of the 14th October 1850, there ought to have been remmitted to London, at the expiration of six years an annual amount for the redemption of the Bonds.

Amount which should have been remitted in			1857...$	250,000 00
do.	„	„	1858...	250,000 00
do.	„	„	1859...	250,000 00
do.	„	„	1860...	250,000 00
do.	„	„	1861...	250,000 00
			$	1.250,000 00

SUMMARY.

Debt of the Republic for interest	$	13.058,103 75
do. do. on account of redemption		1.250,000 00
Total	$	14.308,103 75

Actual Debt of the Republic with the Bondholders.

By capital in conformity with the Conversion of 1850	$	51.208,250 00
By interest to the 1st July next		13.058,103 75
Total	$	64.266,353 75

NOTE.—The redemption account is made for the purpose of showing clearly the compromises of the Republic in conformity with the decree of the 14th October 1850; but if the sum which figures as Debit be taken into account by virtue of any arrangement, the capital would naturally be diminished from $51.208,250, according to the price and amount of the redemptions.

Mexico, March 10th 1862.

Florencio Delahanty.

E.

Conversion of the Debt, in conformity with the Decree of the 14th October 1850.

THREE PER CENT. TITLES ISSUED IN EXCHANGE FOR THOSE OF 5 PER CENT.

Letter	*A.*	25,774	Bonds of	£100.....	£ 2 577,400 00
„	*B.*	8,936	„	„ 150	1.340,400 00
„	*C.*	8,393	„	„ 250.....	2.098,250 00
„	*D.*	8,390	„	„ 500	4.195,000 00
					£ 10.211,050 00

TITLES OF THE 5 PER CENT., NOT PRESENTED UNTIL JANUARY 1857.

Letter	*A.*	219	Bonds of	£100.....	£ 21,900 00
„	*B.*	13	„	„ 150	1,950 00
„	*C.*	7	„	„ 250	1,750 00
„	*D.*	10	„	„ 500.....	5,000 00
					£ 30,600 00

NOTE.—Consequently there were only £30,600 short, to conclude the Conversion. In the course of time, some more Bonds have been presented for exchange, and those which still remain to be converted *will be* about £7,000.

Mexico, March 10th 1862.

Florencio Delahanty.

VARIOUS

ENGLISH CONVENTIONS.

ENGLISH CONVENTIONS.*

HISTORICAL EXTRACT.

The manner in which Loans are effected in Mexico for public necessities.

In order that the affairs which caused many of the disagreeable altercations with certain foreign diplomatic agents may be fully and clearly underslood, we deem it requisite to give an idea of what the system of *Loans* has caused in our national income, and in our accounts.

The deficit that occurred in the public revenue from the gear 1823, which we referred to in the commencement of this Report, has continued increasing every year; so much so, that the ordinary products of the said revenue not been sufficient to cover the expenditure of the public administration. This necessity has increased in a hight degree, in those period when the Republic has been treatened with any foreign war, or whenever the Government has been disturbed

* To throw light on any questions which may offer in the discussions relative the arrangements with the Commissioners, we insert as the first document of the second Appendix relating to England, the Treaty of amity and commerce celebrated with this nation.

by any revolution greater and more inmediate resources have been repuired according to the decrease of the revenue by the occupation of towns and sea-ports by the revolutionary forces. These domestic necessities have comyarativelp speaking, in a very small scale, caused the formation of a national and a foreign debt ; the same as the great wars and commotions of Europe have caused the accumulation of a debt at once fabulous and incredible.

Under the circumstances mentioned the Financial Department has been actually obliged to adopt a system which, with few exceptions, consisted in calling together the Brokers in order that they might procure from the merchantes and capitalists what has been termed *negocios*. These *negocios* have consisted in lending to the Government a certain sum in cash, and the balance in paper money [*papeles*]. This paper [*papeles*] consist generally in acknowledgments issued to the Mexican Creditors, which not being consolidated, nor having and rent assigned for the payment of the interest and redemption of the capital, are at a very low price in the Market, rarely excreding six per cent. As may easily be perceived, the profit in these *negocios* has depended on the greates or lesser quantity of paper value [*papel*] introduced therein—and on the interest which is generally stipulated on the total amount of the credits—and on the money received in the General Treasury.

This system, which has in the cause of time formed a branch improperly called Public Credit, may be better understood by means of an exemplar which we insert in continuation, without omitting the precise formula, as it is very important.

Exemplar ich may e or less to an idea of operations are made the Finan- Department.

Mr. Richard N. (H. B. M. subject, or Faench subject, or American, or Spaniard), makes the following proposition to the Supreme Government [1]:

To deliver to the Treasury General in Cash..... $	10,000
do. in an order on the Custom-house of Mexico, which will be admitted as money	10,000
In paper or acknowledged credits, payable in two months.	30,000
This sum of... .....$	50,000

shall gain six per cent. per annum., until its redemption, and shall

(1) The orders which are given in consequence of contracts similar to these, are those alluded to by the Bondholders in their *Report* of the 19th April, already referred to, and which in effect are occasionally liquidated totally in the Custom-houses, by the marchants interested in them.

be paid by the Maritime Custom-house of Vera Cruz, in compensation of all classes of direct or indirect duties, caused or to be caused in all cases which may be designated. Mexico, date.—(Signature of the interested party).

In consequence of this proposition,—which with a greater or lesser quantity of paper value (*papel*) is always approved of in moments of indigence,—the order is given, either on the Maritime Customs, on the Custom-house of Mexico, or any other rent; the result being that the Government, which could scarcely cover its current expenses with 10,000 dollars, compromised the Custom-house of Vera Cruz for the payment of 50,000 dollars.

The arithmetical analysis of this transaction is very simple:

$10,000 of credits at 6 per cent.....$	600
Value of order at 20 per cent., introduced as money.....	2,000
Capital in cash.....	10,000
Total prime cost.....$	12,600

The difference of $37,400, besides the rate of exchange on Vera Cruz and the interest, is the profit of the negotiator, who always cedes to the importing houses a discount of 10 to 12 per cent. so that he may realize his order; it consequently follows that the duties mentioned in the Custom-house tariff are scarcely ever paid in full.

When the negotiator has been able to realize his order in two or three months, it is then said that the transaction came out very well.

When, in consequence of a revolution, or by a change in the Ministry, the negotiator has been unable to realize the whole amount of his order, or has only received an instalment of $12 or $15,000, then the transaction was a bad one, and he is compelled to make another arrangement with the Cabinet, by giving a fresh amount in money and another in *papeles*, which is called a *refaccion*, or he avails himself of the title of *Subject of such a Nation*, which he took care to place in the beginning of his proposition, and vociferates that the Government has ruined him–that it has robbed him–that it has deprived him of his property–that he ought to be reimbursed with payment of interest and damages. This is called a *reclamacion* or claim.

There is not a foreigner who makes a transaction, or lends his name for that purpose, that is ignorant of the state of the country,

[illegible] Treasury, and of the successive changes in [illegible] Government; therefore, not one of them in good [illegible] can say that he has been *deceived*, or, much less,

[illegible] have been cases—and we could cite a great number by re[illegible] the books—in which the orders have been redeemed in [illegible] and in the Custom-house of this Capital within a month [illegible] being issued there are also cases in which the negotiator [illegible] able to realize, for a length of time, even the cash capi[illegible] with the Treasury.

[illegible] much is said about the spoliations and robberies of fo[illegible] the Mexican Government, but nothing is ever mentioned [illegible] amounts which have been paid, the enormous in[illegible] has incumbered itself, or the fortunes which [illegible] of the revenue.

[illegible] write and explain matters with truth; and we [illegible] before us, furnished by the Government offices; [illegible] arrangement, such as it is, (but which is necessary), [illegible] our petty and ruinous system of Exchange, [illegible] of repeating the origin of various credits intro[illegible] operations. These have not been created by spo[illegible] committed by the public authority, but by *vo*[illegible] with the perfect knowledge of the risks and [illegible] operations are exposed to, and in which, perhaps, [illegible] in order to gain a great deal.

[illegible] Convention does not, in fact, contain any defect [illegible] was celebrated on the 15th October 1842 by [illegible] Minister Plenipotentiary of H. B. M. near this [illegible] Pakenham, with the object of arranging de[illegible] various amounts due to British Subjects, [illegible] their property, from the year 1836, and for [illegible] which had been exacted from them as [illegible] to the truth we must add, that if Mr. [illegible] extremely moderate in all his claims, the [illegible] part, did not entirely neglect the pay[illegible] objects of what it considered just; for in the [illegible] of the Treasury, corresponding to the year [illegible] estates are to be found, and in each of them [illegible] were being made by various offices; conse[illegible] the basis of the Convention of the 15th

October, was only the balance which was still due on the said documents.

By the 1st article, it was agreed that 2 per cent. of the import duties from the Vera Cruz custom-house, and 1 per cent. from that of Tampico should be set aside, and all this product should be applied to the payment of the recognized credits up to the said 15th. October 1842; and by the 2nd and 3rd articles, the capitalization of the interest, and the successive payment of 12 per cent. per annum., until the final redemption, was also stipulated. This interest was certainly excessive, because at that time it was probably greater than the customary rate; but, to conclude, this is the only defect which can be opposed to this Convention, of which, for greater clearness, and because it was the origin of other arrangements, an exact copy is given in the 2nd Appendix, and marked Num. 2.

On this being communicated to the General Treasury, an explanation was asked for, as to the nature and conditions of the credits, —the Minister of Foreign Affairs designated on the 14th January 1843, those which should be considered as included in the arrangement with Mr. Pakenham, and consequently the liquidation was proceeded upon. The supreme order referred to in this paragraph, accompanies the 2nd Appendix, under Num. 3.

Mr. Thomas Worrall, who was the agent of the British Subjects comprised in the Convention, presented sundry certificates and orders to the General Treasury, which were admitted on the 8th of May 1844.[1] (See Appendix, num. 4). The sum of $226,768 44 cs., formed the basis of the capital, and a commencement was made to satisfy it with the One and Two per Cent. from the Customs of Vera Cruz and Tampico; having added, till the 29th of May 1844, some amounts for interest, which, (or the issuing of some other small certificate), increased the capital to $229,712 31 cs.

Certificate which formed the capital of the first Convention.

After the liquidation made by Mr. Thomas Worrall, some other credits were introduced and comprehended in the Convention, some being increased with a certain sum (*refaccion*) supplied by particular agreement entered into between the interested parties and the Minister of Foreign Affairs;—these amounts formed the sum of $77,219 18 cs. (document num. 5).

To conclude, the first Convention amounted to $306,931 44 cents. All the credits belonged exclusively to British Subjects, and the

1 3rd vol. of *Polizas* of the General Treasury, of May 1844.

[illegible] from *voluntary* contracts made w[illegible] damages which they suffered, [illegible] overnment considered just to rep[illegible] [illegible] ere was any excess in the rate of i[illegible] [illegible] [illegible] [

SECOND CONVENTION.

CALLED THE MONTGOMERY, NICOD & C.°, CONVENTION.

On the 17th of October 1840, the Government was empowered by the General Congress, to contract a Loan of 2.000,000 of dollars, with the object of undertaking a new expedition against the rebel Colony of Texas.

Second Convention, and its origin.

At that period there existed in this Capital a banking house under the firm of Montgomery, Nicod & Co. This house took the lead in the affair and associating themselves with that of Sancho & Manterola; Martinez del Rio, Brothers; Andres Yedias; Francisco Sáyago; José J. Rosas; Fernando del Valle; Antonio Barruecos; and some other persons whom we cannot recollect, contracted the Loan referred to with the Government, delivering 900,000 dollars in hard cash, and 1.100,000 dollars in *papeles*, (paper), which consisted principally in receipts for salaries of the government employés,—credits which have always been of the least value in the Mexican Market.

...o that an exact idea may be formed of the origin of this Conv... ...a copy of the contract celebrated between the said Mess... Montgomery, Nicod, & Co. and the Government, is inserted in t... ...d Appendix, marked No. 6,—No. 7 shows the liquidation of t... ...ons delivered in money and credits by Don Juan Rondero to t... General Treasury, until the amount of 2.000,000 of dollars was co... ...leted

...For the payment of this sum the fund of 17 per cent. was des... ...ated, which had previously been assigned to the payment of ... ...ous credits by the decree of 20th May 1837.

At first the instalments received on account of this Loan were ... ...ery abundant, nor did they satisfy the desires of the contracti... ...ers; and afterwards, the affair was suspended or rather reject... ...by the Executive Power of General Santa-Anna, when the inter... ...ted parties were compelled to apply to the Supreme Court of Justi... ...which tribunal did not arrive at a decision, because, by the inter... ...ention of Mr. Bankhead, the Minister of Finance entered into vari... ...negotiations with the interested parties, concluding an amicable ...angement on the 21st January 1843, (Document No. 6), by wh... ...it was stipulated that the interest overdue to the end of Decem... ...1842 should be capitalized; that new Bonds should be issued for ... ...sum of 2.000,000 of dollars, with interest at One per Cent. per mon... ...and that the whole amount should be paid with 8 per cent of ... ...products of the Maritime Custom-houses; and also, that in conside... ...tion of the advantages which the interested parties derived from ... ...arrangement of their affairs in the before-mentioned terms, th... ...should deliver, in hard cash, a new subsidy of 6 per cent. Some ... ...ficulties having presented themselves to carry this arrangement i... ...effect, an additional article was agreed upon, (Document No. 9). ... ...which it was stipulated that the interested parties should deli... ...120,000 dollars more, in Bonds of other established stock, for wh... ...they should be paid One per Cent. per month, out of the said fund... ...8 per cent.

...None of these arrangements had effect until the 8th of April 18... ...when the house of Montgomery, Nicod, & Co., made a final prop... ...tion, (document No. 10), which was submitted to the Minister ... ...Foreign Affairs, and by which it was agreed that, with 5 per Ce... ...of the products of the Maritime Custom-houses, the sum of 1.143,... ...dollars should be paid, this being the amount, represented by ...

said house in the Loan of 2.000,000 of dollars, including the sum of 56,490 dollars paid in cash into the General Treasury as a new subsidy.—The Mexican partners, and foreigners of other nations, who took a part in the $ 2.000,000 Loan, were excluded from this arrangement, as the house of Montgomery, Nicod, & Co., claimed from them about $ 8,000 for commission. This is what is termed the 2nd English Convention. The fund destined thereto, commenced to be set aside from the months of May and June following, and the holders of these credits received, with regularity, the Bills from the Maritime Custom-houses.

THIRD CONVENTION.

CLAIM OF MARTINEZ DEL RIO, BROTHERS.

Necessary antecedents in order to understand the origin of the credits. The Tobacco contract.

Without explaining certain circumstances that happened previously to this diplomatic agreement, which may be called the third Convention, the transaction would not be clearly understood.

On the 15th January 1839, a National Bank was established in Mexico, to which the legislature ceded certain administrative powers, and, in virtue thereof, the Bank made a contract with Don Benito Máqua (a Spaniard), letting to him the *monopoly* or rent of the Tobacco. The principal conditions agreed upon were:—That the contract should continue for five years: That in the first three years, the contractors should pay to the Government $ 600,000 a year, and $ 700,000 in the last two: That on the conclusion of the contract, the Government should receive $ 1.272,000 in manufactured tobacco at the current price of the Market, and *with a discount of* 25 *per Cent.*

The partners in this enterprize were Messrs. Benito Maqua, Cayetano Rubio, Francisco Rubio, Felipe Ner idel Barrio, (who was afterwards Minister of Guatemala in Mexico,) Manuel Escandon, and Miguel Bringas. Every one of whom, with the exception of Maqua, were Mexican Citizens.

The tobacco contract is rescinded

In November 1841, as, undoubtedly, it was not suitable to the interests of the Tobacco Company to continue the contract, they held a meeting before the Council of Ministers, when it was proposed, or rather agreed, that the contract should be rescinded, and to this effect, the Government issued a decree on the 12th of November, re-establishing, on its own account, the *tobacco monopoly*, which the Department of Finance commenced to direct on the 1st January 1842.

The stipulations contained in the contract, were not in any respect complied with by the contractors, who were daily and momentarily deriving advantages and profits, of which they had not previously spoken.

Sums received by the Tobacco contractors.

Instead of delivering to the Government the stipulated quantity of manufactured tobacco, the contractors paid 3.982,125 dollars.—Instead of deducting 25 per cent. on the price of the market, they obtained from the Government *an allowance of* 30 *per cent.* —Afterwards they received 644,881 dollars in certificates; in a word, and not to fatigue the attention further, we will state that instead of 954,000 dollars that the Government ought to have paid them for the stock-on-hand, which it was compromised to receive, the final liquidation amounted to a much larger sum. All the particulars of this affair appear in the liquidation and report presented to the Supreme Court of Justice on the 13th July 1846, by Sr. D. Francisco Iturbe, at that time the Minister of Finance, and which we copy in continuation:

GENERAL TREASURY OF THE MEXICAN REPUBLIC.

Account showing the value of the stock on-hand delivered by the Tobacco Company, and the manner in which it is being paid, up to the present time.[1]

	Sums paid by the Company.	Value of premiums.	Sums received by the Company.
Value of the stock-on-hand.....	3,982,125 01		
Discount of 30 per cent. on the nominal value of Bonds issued for this sum, which discount is equivalent to 42¾ per cent. premium.....		1.706,624 17	
Presented in certificates payable by various administrations of the tobacco, after covering the obligations of the said company.	644,881 97		
Forward.....	4.627,006 98	1.706,624 17	

(1) The profit of the Tobacco monopoly consisted in purchasing raw tobacco and manufacturing it into small packets of *cigarritos* and cigars selling each packet at three pence (½ *real*,) composed of from 30 to 40 cigarros, and from 7 to 16 cigars. This produces a profit of 35 to 40 per cent; and for this reason it was agreed that the Government should receive from the Company, all the stock-on-hand at the market price, and also with a discount of 25 per cent. This forms the basis by which we are guided in this small liquidation, and which was stipulated, as before stated, in the contract of the 11th January 1839; but as, instead of doing this, the Government allowed 30 per cent. to the contractors, all the increase of profit they acquired therefrom can be comprehended; and also why the responsibility, which the Government incurred by this transaction, amounted to more than 7.000,000 of dollars; if, as is right, the interest on the Bonds be also included.

	Sums paid by the Company.	Value of premiums.	Sums received by the Company.
Forward.....$	4.627,006 98	1.706,624 17	
Received from the 10 per cent. of the Maritime Customs of Vera Cruz.....			256,699 24
Do. do. from those of San Blas and Mazatlan.....			127,853 67
Do. from Vera Cruz for the 41 per cent			42,554 10
From the profits accruing to the Supreme Government in the negotiation of Fresnillo.....			193,850 00 202,533 51
From the export of silver.....			
From the General Treasury, and from the tobacco Co.....			474,541 66
Admitted in part payment of the twelve shares purchased from the Government, which it possessed in the Fresnillo negotiation			480,000 00
Premiums at the rate of 6 per cent. on the sum of $5.688,745,27 value of the stock on-hand, and the 30 per cent. discount; which premiums were capitalized in order to be included in the 25 per cent. fund.....		453,463 12	
Amount of sums paid.....$	4.627,006 98	2.160,087 29	1.778,032 18
do. „ premiums.....	2.160,087 29		
Total.....$	6.787,094 27		
Received	1.778,032 18		
Added to the 25 per cent. fund.$	5.009,062 09		
For this amount of $5.009,062.09. bonds were given them of the common fund of 25 per cent., in conformity with the decree of 11th May 1843.			
Received on account of this sum from the Maritime Customs of San Blas and Mazatlan, and from the tobacco rent			793,930 19
Premiums at 6 per cent. credited by the Agent of the 25 per cent. fund.....		477,660 05	
Premiums at 5 per cent. credited by the Agent of the 26 per cent fund		279,976 53	
Amount received.....	793,930 19		
$	4.215,131 90		
Deduct $29,452 40 over-issued in bonds on the 25 per cent. fund	29,452 40		
$	4.185,679 50		

It is shown, by the foregoing liquidation, that the Tobacco Company having delivered a capital of $3.982,125 01 of stock–on–hand, and also $644,881 97 of certificates, they have received in cash, for capital and interest, the amount of $3.329,599, and there is still due to them the sum of $4.185,679 50, which bears an interest of half per cent. monthly.

A decree was issued on the 11th May 1843, consolidating all the interior debt up to that date, granting an annual interest of six per cent., and assigning for its payment 25 per cent. of the import duties from the Maritime Customs. This law, which is very important to have at hand, in consequence of what we shall say hereafter, will be found in the Appendix, under num. 11.

By the 3rd. article, it was ordered that *the balance which still remained of the debt owing by the Government to the extinct Tobacco Company* should be comprised in this fund.

In consequence of this law, there was included in the 25 per cent. fund, as expressed in the foregoing liquidation..... ...$ 4.555,599 00

Unpaid interest which was capitalized..... 453,463 00

Total..... ..... $ 5.009,062 00

There is no motive for saying that this fund, as well as many others, was of very short duration; as, on the contrary, it subsisted nearly then years, in which time,—between redemptions and cash payments, – the bondholders received the sum of $ 10.140,919, of which, (by a proximate calculation), 1.554,655 dollars belonged to the Tobacco bonds.

The house of Messrs. Martinez del Rio, Brothers, had no part in the Tobacco contract, and acquired the bonds in the Markets.

In all the transactions of the Tobacco Company with the Mexican Government, which we have briefly explained, neither the Messrs. Martinez del Rio, Brothers, nor other persons *of foreign nationality*, had any part, not even as simple partners; therefore, good or bad, prejudicial or not to the Exchequer, they could have no connexion with the relations of the Government with the European nations, nor did they give the slightest pretext for the Foreign Ministers to mix themselves in these financial questions, which, we can vouch for, were of a *purely domestic* character.

The tobacco bonds – distributed not only amongst the primitive partners of the Company, but also amongst various persons,—were

sold in the Market in the same manner as the credits of officers, widows, and the Government employes, without any other difference than that they commanded a higher price, in consequence of the assignments made their payment, and of the good social position enjoyed by the individuals who had large quantities of them in their possession.

Messrs. Martinez del Rio, Brothers, by purchases which they made, or by any other mercantile transaction whatever, (with which we are not acquainted neither is it to the point to refer to), acquired a certain number of these bonds, and received, in consequence, the proportion of the assignments which all of the same class participated in.

The house of Martinez del Rio appeals to the Court of Justice, and obtains a decision therefrom.

On the 11th May 1843, the above mentioned law was issued, establishing the 25 per cent. fund; and as Messrs. Martinez del Rio, Brothers, did not conform themselves to this new and varied assignment, they applied to the Supreme Court of Justice, with a complaint against the Government, and asking that it should comply to the strict letter of the decree of the 12th November, relative to the tobacco monopoly, which, (as has been seen by what we have explained), the contractors did not comply with, in any of its principal articles, on delivering up the rent; so that whilst the Government of the Republic, on its part, made as many concessions as were solicited,—even perhaps more than accorded with justice and the interest of the State,—the bondholders (because Messrs Martinez del Rio, Brothers, had no other character) obliged it—compelled it—constrained it—by citing it before the tribunals, in order that it should fulfil to the strict letter, a contract, which, in conformity to *right*, *had been innovated on their own part.*

The Court of Justice, under date of the 28th October 1846, passed sentence in favor of Messrs. Martinez del Rio, Brothers; in consequence of which, Don Antonio Haro y Tamariz, who was Minister of Finance, arranged on the 11th November following, the payment of what was due to them. The war between Mexico and the United States suspended the effects of this arrangement.

On the 18th August 1848, the Minister of Finance, Don Mariano Riva Palacio, let to Messrs. Manuel Escandon, Miguel Bringas, and Manning & Mackintosh, the tobacco revenue; it being an essential part of the agreement that they were to deliver to the Government 20 per cent. of the sales.

On the 28th of January 1849, it was stipulated that out of the 20

per cent. which belonged to the Government, there should be paid to Messrs. Martinez del Rio, Brothers, as holders of a considerable part of the bonds, the sum of 16,000 dollars a month by the said Tobacco Company; and, moreover, Sr. Piña y Cuevas, who was then Minister of Hacienda, destroyed the 26 per cent. fund, and to the detriment of the other creditors (who appealed to the Supreme Court of Justice) he ordered the separation of 6 per cent., to be paid exclusively to the said Messrs. Martinez del Rio, Brothers.

717,000 dollars are added to the Tobacco Bonds.

As a compensation (so it was then said) for what Mexico had omitted to pay them during the war, the said Sr. Piña y Cuevas added to the 2.745,000 dollars in *Tobacco Bonds*, 717,000 dollars *in Bonds of the Mexican Internal debt*, which were consolidated in the fund of 26 per cent. These two amounts formed the sum of 3.462,000 dollars. After this arrangement, Messrs. Martinez del Rio, Brothers, continued to receive their respective assignments.

On payment being made to the Republic of a part of the 15.000,000 dollars indemnity, obtained by the Guadalupe-Hidalgo treaty of peace, the Messrs. Martinez del Rio, Brothers, solicited from this fund the payment of what was due to them, but not being able to procure it, they applied to H. B. M's. Legation, which demanded the execution of the sentence, and as it was impossible to fulfil it literally, various diplomatic negotiations followed, resulting in the third English Convention, concluded on the 4th December 1851, by Mr. Percy Doyle, H. B. M's. Chargé d'Affaires, and Don Fernando Ramirez, Minister of Foreign Affairs *ad interim*.

By this Convention 411,434 dollars, of interest over-due, were capitalized; 3 per cent. per annum. was granted on the total amount of the debt for five years, and 4 per cent. for the sixth and succeeding years; 5 per cent. for redemption in the first five years, and 6 per cent. from the sixth year; and lastly, it was stipulated that the interest and redemption should be paid by 12 per cent. from the import duties of the Maritime Customs.

Therefore, the capital of the third Convention was formed from the following amounts:

Bonds of the extinct Tobacco Company.....	$	2.745,000
Bonds of the common 26 per cent. fund.....		717,000
Capitalized interest.....		411,434
	$	3.873,434

As certain sums were paid out of this amount, up to the 30th November 1850, there resulted, at the time of forming the Convention of the 4th of December, a considerable capital, which was included in the *English* Convention, and united to the balance that was still due to the two previous ones.

So far, and to judge by what is mentioned in the preceding narration, there are only two simple results: 1st. That the Mexican Government entered into certain arrangements with various bankers, in order to obtain the devolution of the Tobacco monopoly; and 2nd. That, in the course of time, a part of the Bonds, proceeding from this negotiation, having passed into the hands of British Subjects, they, not being content with the sundry arrangements already made with the Government,—deemed it expedient to appeal to the Tribunals, in conformity with the Constitution, and having obtained a favorable sentence, applied to the said Government to comply therewith, and as this was not done, they complained to their Minister, alleging a *denial of justice*. Consequently, H. B. M. Minister, arranged with the Mexican Government the payment of the sums due, and thereupon formed the Convention of the 4th of December. (No. 16 of the 2nd Appendix). In this manner has the question with England been generally viewed; but inasmuch as, with so few proofs, the bad faith of Mexico is spoken of, as well as the confusion of its administration—and the injuries caused by the Government to the subjects of Foreign Powers; we have to consider this affair in its true light.

To commence, as one may say, "from the beginning," it is proved in a positive manner, – by the judicial document drawn up on the 13th January 1842, before the notary Don Manuel Orihuela, which is copied in the Appendix under No. 12,— that no *British Subject* contracted originally with the Mexican Government; that *no English capital* was invested in this speculation; that, neither, from any of the articles of said document, can it be even remotely inferred that those who contracted at that time, had the right to appeal in future to the protection of the Foreign Ministers, in order to realize the advantages they contemplated obtaining by negotiating with the Government the payment of the tobaccos which they delivered; that, as may be also clearly perceived, (by comparing the articles of the contract with the narration we made in the beginning, and which is taken from official documents), the contract was innovated from the commencement, and was *continued to be innovated afterwards*, by the same

of the sentence,—very far from deducing that the holders of these bonds could enjoy distinct rights from those possessed by the primitive contractors of the Tobacco revenue, it did no more than confirm the unquestionable power of the Government to arrange and consolidate the public debt, and declared *these Bondholders subject to the laws* which had regulated the funds, recommending the propriety of a prudent adjustment, in consideration of the critical circumstances in which the Republic was placed. With entire impartiality, we have, been desirous, throughout the sequel of this affair, to meet with something which might, naturally and logically, connect it with H. B. M. Legation, but, on the contrary, we have really only found proofs of the Mexican *origin and continuity* of the documents, which now form the principal part of the capital of the English Convention.

The only foundation is met with in the pamphlet of Messrs. Martinez del Rio, Brothers, already referred to.

" In consideration of these declarations, (they say), as conclusive " as they are authentic, no person could doubt, that as soon as the To- " bacco Bonds were brought into the Market, the same as any other " merchandize whatever, they conld be acquired by British Subjects, " in virtue of the right conferred to them by the 2nd article of the " Treaty of the 26th December 1826, and from the moment the " bonds were so obtained, *they became English property, protected by* " *the said treaty*, in the same mamer as gold, silver, logwood, and " other national products which are daily acquired by Englishmen."

The weakness, not to say the error of this argument, consists in comparing gold, silver, and other productions, that have a fixed value in the Market, with the credits of the public debt, which have a variable value, and which proceed from transactions, made from the beginning, for the purpose of obtaining and realizing considerable gain, in compensation for the risks and fluctuations of the capital, or rather, of the profit which remains to be realized.

If this be not the case, let Messrs. Martinez del Rio, Brothers, be asked, if they purchased in their full value the bonds which became their property?

The protection granted to British Subjects, not only by the 2nd, but also by the 8th. article of the treaty, cannot be extended to guarantee the realization of contracts or speculations made by Mexican Citizens or those of other countries, and if the theory laid down by Messrs. Martinez del Rio, Brothers, were perfectly true and applicable to the case in question, every foreign subject might procure

As certain sums were paid out of this amount, up to the 30th November 1850, there resulted, at the time of forming the Convention of the 4th of December, a considerable capital, which was included in the *English* Convention, and united to the balance that was still due to the two previous ones.

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bed and spoliated by the public authorities themselves? So then, no person can trade with security, nor peacefully dedicate himself to his industry or profession, unless he is constantly protected by Her Majesty's Legation, or her Naval forces? So then, there, the foreigner, instead of acquiring an honorable fortune by patience and labor, is violently despoiled of his capital and left to pine in misery, until the physical and moral force of the Government of his nation performs a voyage of two thousand leagues to do him justice.

These and other inferences, still more degrading to the Republic, are drawn, even by persons full of judgment and knowledge; but nothing is surprising when the truth of affairs is unknown.

To sum up,—of the three English Conventions, one proceeded from *direct injuries* caused to English Subjects, which the Government hastened to repair, by granting an annual interest of 12, 18, and up to 20 per cent.

The second arose from *a voluntary contract*, in which of 2 millions of dollars, $1.100,000 of *paper money* (*papel*) was introduced, worth 6 per cent. in the Market; which paper was increased at the time of making the final liquidation, and served as a basis to the Convention;—the third, as we have demonstrated, originated from *the Tobacco Credits.*

Very little remains to conclude this historical extract. On the 11th of November, and in conformity with one of the articles of the sentence of the Court, Messrs. Martinez del Rio, Brothers, arranged for the payment of the arrears due to them, (in the term of seven years), three months after the conclusion of the war with the United States of the North. (Document No. 14).

On the 6th of February 1849, the arrangement, of which we have already spoken, was made with Sr. Piña y Cuevas, wherely 717,000 dollars of bonds of the 26 per cent. fund were introduced, belonging to various individuals, as may be seen in Document No. 15. These credits had no contract, nor any sentence in their favor, but were, nevertheless, added to the capital of the Convention. The grounds on which Messrs. Martinez del Rio, Brothers, supported their petition and obtained this new and rare addition of credit which *could not even remotely be styled English*, was the want of punctuality in paying the assignments applicable to *the Tobacco Bonds*. This pretension would have appeared both just and rational if Mexico had had the least fault in this accumulation of arrears; but the circums-

tances that caused it, vary the aspect of the question. The United States troops disembarked at Matamoros in 1846, and successively invaded the country until 1848, when peace was made. How could Mexico pay either Messrs. Martinez del Rio or any other creditor, when all her ports were blockaded, her cities occupied, and the whole of her revenues destroyed? What charge could have been made against Spain for not having paid her creditors, when her territories were invaded by the army of Napoleon the Great? Wha terproach could have been made to France, for having failed in paying her pending contracts, and for being unable to fulfil the sentences of the tribunals, when the Cossacks paraded the streets of Paris? Why had Mexico to concede ample indemnities to her creditors, when, very far from being culpable, she was the victim of an unprovoked war?

But as well in this respect, as in regard to the observations that may pertain to the nature of the credits we now treat of, the fact is that Sr. D. Fernando Ramirez, then Minister of Foreign Affairs,—prompted evidently by a desire to satisfy H. B. M. Government, and with the wise and patriotic design that Mexico should conserve the best relations with a power that influences so much the destinies of humanity,—celebrated on the the 4th. of December 1851, the Convention of which we have given an idea. (Appendix num. 16.)

On the 4th. of October 1852, an addition was made, by which it was stipulated that 3 per cent. more should be separated; (Document num. 17,) and on the 7th. of May 1853, it was agreed to pay another one per cent. in compensation of a number of Bills ceded to the Government by the creditors; so that, a Convention which commenced with 1 and 2 per cent. on the Customs, was increased to 5, afterwards to 12, subsequently to 15 and 16, and finally, by the provisional agreements with Captns. Dunlop, and Aldham, R. N. to 29 per cent., i. e., to more than one fourth part of the maritime import duties.

On the 26th. July 1858, Messrs. Martinez del Rio, Brothers, called on the Minister of Foreign Affairs of the Government *de facto*, that was established in the Capital, and referring to a conversation which they had with the Minister of Foreign Affairs in the presence of Mr. Otway, who was H. B. M. Plenipotentiary, they passed a communication soliciting an annual interest of 6 per cent. The motive of this petition (Appendix num. 18) was founded on the insufficiency of the fund which was set apart in the Customs to satisfy the redemptions, and that they had a right, in conformity with the Conven

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…Appendix, and from the extract which
…historical curiosity, but because th
…rder to form a correct idea of the aff
…proceeding from the arrangement made w
…issued to the parties form
…character of a *national* debt. By one
…fact the Company was at liberty to endo
…this it received; but it is clear that it

…or elsewhere, that the *nature* and c
…and many as they *charged hands;* therefo
…and Spanish, who acquired these Bonds, p
…greater nor greater privileges than the part
…with the Government a series of negotiatic
…given in idea. So far we observe that from
…, and from the character and conditions of
…thing which could disturb the fulfilment of
…between Mexico and foreign powers, whatever n
…nationality of the purchasers of these bonds in
…Mexico.

…the successive arrangements also accord with wl
…above mentioned The law of 11th May 1843, already cit
…a high degree a national and domestic character,
…consolidated the debts of various creditors into one sin
…like the tobacco contractors, had entered into trans
…accordingly with the Government, but not in the character
…therefore, neither the Bondholders of the English De
…the British Subjects included in the Convention of Mr. Pak

ham, were comprised in this consolidation. The holders of the tobacco Bonds were specially comprehended in this consolidation, and many of them, (as Sr Escandon for instance), effectually converted their bonds without any kind of opposition whatever, and it is unintelligible why the second and third-hand holders of these same bonds, considered themselves injured and would not consent to be included in the 26 per cent. fund, when no complaint was then made before the Court of Justice by those who might have done so, perhaps, with a better right, as they were the primitive contractors of the tobacco and direct owners of the original capitals and bonds.

But the fact is, it thus transpired, and one part of the holders of these bonds, (Messrs. Martinez del Rio, Brothers), appeared before the Court of Justice demanding the strict fulfilment of the first contract, when, (we again repeat), it had been *innovated* a long time before.

The strong position acquired by Messrs. Martinez del Rio, Brothers, arose from the sentence of the Supreme Court of Justice; (Appendix, No. 13); but on this point we have to make some observations. Whatever may have been the foundation and terms of the judicial decision, it neither could, nor did, vary the *nationality of the bonds*, the payment of which was demanded. The said Messrs. Martinez del Rio, Brothers, confessed in a pamphlet which they published on the 23rd November 1855, that they did not make use of the privileges of their nationality, when they brought forward their demand against the Government. "*We do not make our demand*, "they say, *as British Subjects; in the document with which we* "*presented ourselves, this quality is not even mentioned; we demand* "*as holders of the Tobacco Bonds, and nothing more.*"

Therefore, up to this time, we find that in the beginning—in the several variations of the contract—in the nature of the debt—and even in the demand itself, made by some of the holders of these credits,—they retained their character of *Mexican nationality*, which was not denied in the sentence of the Supreme Court of Justice and which declared that the obligation to pay to the Bondholders 35,000 dollars a month from the Tobacco revenue, still subsisted; that for the payment of the sums due to them, they ought to make *a prudent arrangement* with the Government; and, lastly, that they ought to be *subject to the laws which regulated the funds relative to the payment of the public debt*, for the part they held in the products of the Maritime Customs; so that,—notwithstanding the very favorable temrs

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[illegible] Congress, and rejected:
[illegible] passed a decree. (Docum
[illegible] arrangements of the Maritime Quar
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[illegible] arrived [illegible] H. B. M. Governm
[illegible] Havana. About the same time, another tr
[illegible] France, and Spain, which, with
[illegible] present, we copy in the Appen
[illegible] the naval and military forces
[illegible] Vera Cruz.

[illegible] this Report, without making a for
[illegible] he possesses no unfriendly feelings tow
[illegible] Powers. They must be aware tha
[illegible] is far as was possible, and
[illegible] mention with entire truth the preced
[illegible] strict justice, we must confess tha
[illegible] indispensable examination of the accounts
[illegible] Larrunez del Rio, Brothers, in their
[illegible] with the greatest exactitude and i
[illegible] following in due time the sums rece
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A.

LIQUIDATION of the primitive capital which formed the English Conventions, with their dates, nature, and the origin of the credits.

The Pakenham Convention.

Direct credits of British Subjects arising from the pillage at Oaxaca and Guanajuato: forced loans, and other claims; according to the liquidation made by Mr. Thomas Worrall on the 18 May 1844.....$		229,712 81
Credits presented by various persons, which are considered as included in the Convention in conformity with supreme orders, from July 1844 to 21st December following.....		77,219 13
		306,931 44

The Bankhead arrangement.

In primitive bonds of the 17 per cent. fund, proceeding from the contract of 2.000,000 dollars $	941,500 00	
Capitalized interest up to the 31st of December 1842.....	94,150 00	
Subsidy in orders on the duties of the Maritime Custom-houses	56,490 00	
Do. in *paper* [*papel*] or common credits.....	56,490 00	
		1.148,630 00

The Doyle Convention.

Bonds of the extinct Tobacco Company, purchased in the Market by Messrs. Martinez del Rio, Brothers.....	2.745,000 00	
Common bonds of the Mexican fund of 26 per cent. added by Sr. Piña y Cuevas.....	717,000 00	
Forward.....$	3.462,000 00	1.455,561 44

Forward.....$	3.462,000 00	1.455,561 44
Deduct amount received by Martinez del Rio, Brothers, from the Tobacco rent, and applied to the redemption of the capital.....	384,000 00	
Amount of capital.....	3.078,000 00	
Capitalized interest according to the Doyle Convention, up to 30th November 1850.....	411,434 00	
Total capital of Martinez del Rio, Brothers.....		3.489,434 00
Amount of the capital of the three Conventions....$		4.944,995 44

NOTE.—Moreover, Messrs. Martinez del Rio, Brothers, had received on account of interest, previous to the arrangement of the 4th of December, $394,685 88 cs. in Bills on the Maritime Customs, which alone capitalized the sum of $411,434 00 mentioned in this account.

Mexico, March 1862.

B.

CONVERSION of the English Credits into consolidated Bonds, bearing an annual interest of 3 per cent., according to the tenor of the arrangements made by the Minister of Foreign Affairs, Don Fernando Ramirez, on the 4th December 1851.

Balance due to the credits of various British Subjects for capitalized interest.....		156,661 59
Balance due to the credit of Montgomery, Nicod & Co., under the care of Jecker & Torre, for capital and interest capitalized.....		1.152,721 18
Balance of capital represented by Tobacco bonds, belonging to Messrs. Martinez del Rio, Brothers.	3.078,000 00	
Liquidation of capitalized interest at 6 per cent per annum, up to the 3rd of December 1851.....	601,727 91	
Sum.....	3.679,727 91	
Deduct amount of balance in cash, which they retained in their possession.....	4,095 84	
Net balance comprised in the Convention.....		3.675,632 07
Total.....		$ 4.985,014 84

In conformity with the foregoing liquidations, the following bonds were issued on the 13th July 1851, to Messrs. Martinez del Rio, Brothers, agents to the interested parties.

150	Bonds numbered	1 to 150	of $20,000	each.....	$	3.000,000 00
120	„ „	151 to 270	„ 10,000	„		1.200,000 00
120	„ „	271 to 390	„ 5,000	„		600,000 00
184	„ „	391 to 574	„ 1,000	„		184,000 00
1	„ „	575	„	.....		914 84
575	Bonds of the total value of.....				$	4.984,914 84

[redacted]

[redacted] the amount of the liquidatio
[redacted] unable to account for the su
[redacted] the interest account.
[redacted] the Report of the Minister of F
[redacted] the interest included
[redacted] the statement. Letter A,
[redacted] the time of making the liquidati
[redacted] had a balance in th
[redacted] per annum up to the 3rd of Dec
[redacted] and consequently this was the sum
[redacted] was effected.

C.

INTEREST ACCOUNT.

Interest at the rate of 3 per cent. on the capital recognized in the English Convention, due on the dates mentioned.

							Debit.
1852.	June	4	By	1st	half-year on	$ 4.984,914 84	$ 74,773 72
„	Decr.	4	„	2nd	„ „	do.	74,773 72
1853.	June	4	„	3rd	„ „	4.925,000 00	73,875 00
„	Decr.	4	„	4th	„ „	do.	73,875 00
1854.	June	4	„	5th	„ „	4.749,000 00	71,235 00
„	Decr.	4	„	6th	„ „	do.	71,235 00
1855.	June	4	„	7th	„ „	4.449,000 00	66,735 00
„	Decr.	4	„	8th	„ „	4.324,000 00	64,860 00
1856.	June	4	„	9th	„ „	do.	64.860 00
„	Decr.	4	„	10th	„ „	do.	64,860 00
							$ 701,082 44

Interest at 3 per cent. paid to the English Convention.

					Credit.
575	Coupons of the		1st	dividend	$ 74,773 72
575	do.	„	2nd	do.	74,773 27
566	do.	„	3rd	do.	73,875 00
566	do.	„	4th	do.	73,875 00
527	do.	„	5th	do.	71,235 00
527	do.	„	6th	do.	71,235 00
508	do.	„	7th	do.	66,735 00
501	do.	„	8th	do.	64,860 00
501	do.	„	9th	do.	64,860 00
501	do.	„	10th	do.	64,860 00
					$ 701,082 00

Interest due at 4 per cent. on the capital recognized in the English Convention.

							DEBIT.
1857.	June	4	By	11th	quarter, on	$4.175,000 00	$83,500 0
„	Decr.	4	„	12th	„	do.	83,500 0
							$167,000 0

Interest at the rate of 4 per cent. paid to the English Convention.

					CREDIT.
488	Coupons of	11th	dividend.....		$83,500 0
488	do.	„	12th	do.....	83,500 0
					$167,000 0

Interest at 6 per cent. due to the English Convention.

1858.	June	4	By	the	13th	dividend	on	$4.175,000	$125,250 0
„	Decr.	4	„	„	14th	do.	„	do.	125,250 0
1859.	June	4	„	„	15th	do.	„	do.	125,250 0
„	Decr.	4	„	„	16th	do.	„	do.	125,250 0
1860.	June	4	„	„	17th	do.	„	do.	125,250 0
„	Decr.	4	„	„	18th	do.	„	do.	125,250 0
1861.	June	4	„	„	19th	do.	„	do.	125,250 0
„	Decr.	4	„	„	20th	do.	„	do.	125,250 0
									$1.002,000 0

Interest at 6 per cent. which has been paid to the English Convention.

By	488	Coupons of	the	13th	dividend.....	$125,250 0
„	488	do.	„	14th	do.....	125,250 0
„	488	do.	„	15th	do.....	125.250 0
„	488	do.	„	16th	do.....	125,250 0
„	488	do.	„	17th	do.....	125,250 0
„	488	do.	„	18th	do.....	125,250 0
„	488	do.	„	19th	do.....	125,250 0
On account of	488	do-	„	20th	do.....	31,560 4
Balance owing to complete the 20th dividend due on the 4th December 1861.....						93,689 5
						$1,002,000 0

As there were not sufficient funds of the English Convention to complete the payment of the dividend due on the 4th December 1861, an instalment was made of $31,560 45 cts., cutting off, notwithstanding, the coupon corresponding to the 488 bonds that are in circulation, and issuing certificates for the remainder, which will be paid by the Agents of the Convention out of the first funds they receive.

Mexico, April 10th 1862.

P. G. Cardeña.

D.

REDEMPTION ACCOUNT.

1852. Dec. 17.	Nos. 64 & 65..	2	Bonds at	$20,000	00	$40,000	00
„	245.....	1	„ „	10,000	00	10,000	00
„	848.....	1	„ „	5,000	00	5,000	00
„	564 & 567 to 569..	4	„ „	1,000	00	4,000	00
„	575.....	1	„ „	914	84	914	84
		9	Bonds of the value of.....			59,914	84
1853. Dec. 6.	Nos. 66, 96 & 137....	3	Bonds at	$20,000	00	60,000	00
„	159, 160,						
„	200 & 244.	4	„ „	10,000	00	40,000	00
„	271, 290, 307, 312, 317, 324, 369, 373, 385, 386, & 390...	11	„ „	5,000	00	55,000	00
„	396, 402, 406, 407, 415, 425, 432, 436, 438, 440, 445, 454, 464, 506,						
Forward.....		18				155,000	00	59,914	84

	Forward.....	18			155,000 00	59,914 48
	536, 538, 544, & 546.....	18	„	„ 1,000 00	18,000 00	
		36 Bonds of the value of.....				173,000 00
1853. Nov. 9.	Nos. 479, 480, & 481..	3 Bonds at	$1,000 00.....			3,000 00
1854. Dec. 29.	„ 59, 60, 612, 63, 83, 112, 113, 114, 115, & 116.....	11	„	„ 20,000 00	220,000 00	
	„ 171, 183, 186, 210, 212, 213, 248, & 266.....	8	„	„ 10,000 00	80,000 00	
		19 Bonds of the value of...				300,000 00
1855. Aug. 29.	Nos. 58, 95, 97, 98, 117 & 138	6	„	„ $20,000 00	120,000 00	
	„ 272.....	1	„	„ 5,000 00	5,000 00	
		7 Bonds of the value of.....				125,000 00
1856. Dec. 29	Nos. 30, 32, 33, 110, 111 & 114..	6	„	„ 20,000 00	120,000 00	
	„ 205 & 206	2	„	„ 10,000 00	20,000 00	
	„ 285.....	1	„	„ 5,000 00	5,000 00	
	„ 414, 437, 539, & 541....	4	„	„ 1,000 00	4,000 00.	
		13 Bonds of the value of.....				149,000 00
						$ 809,914 84

DEMONSTRATION.

By 5 per cent. per annum for redemption, from the 4th December 1851, to the 4th December 1856. Five years, or 25 per cent. on $4.984.914 84 cts., amount of the primitive capital..	$	1.246,228 71
By 6 per cent. per annum from the 4th December 1856, to the 4th December 1861. Five years, or 30 per cent. on $4.984,914 84 cts.....		1.495,474 45
	$	2.741,703 16
By redemption of 142 Bonds, representing a capital of....	$	809,914 84
Balance that ought to have been redeemed.....		1.931,788 32
	$	2.741,703 16

Mexico, April 10th 1862,

ДЛЯ СЛУЖЕБНОГО ПОЛЬЗОВАНИЯ

E.

NOTE which declares the sums paid to British Subjets for damages and losses, and for other motives mentioned in the historical part of this Report, from December 1839, to date.

By amount paid on account of sundry certificates issued to British subjects for the pillages at Zacatecas and Guanajuato, and for damages and losses, up to the date of the arrangement made with Mr. Pakenham, as may be seen by document no. 4, in the 2nd. Appendix.....	$	275,997 89
To Mr. James Penny, for yarn and copper....		7,965 21
To various English Subjects on account of capital and interest, with the assignments of 1, 2½, and 5 per cent. from the Maritime Customs.....		830,633 16
To the United Mining Co. of Zacatecas, for the claim of San Acacio.....		136,374 03
To Messrs. Barron &c. Forbes, for the claim relative to the events of Tepic		147,351 00
To the bonds of the extinct Tobacco Company, before effcting the Conversion of the 4th. of December, and on account of capital and interest.....		778,635 88
To Messrs Martinez del Rio, Brothers, as Agents of the English Convention, on account of capital and interest from the Conversion of the 4th. of December, according to detailed account to date.....		3.085,392 00
By indemnities paid to various by the arrangement made with Mr. Barron, for the houses acquired from the clergy.....		170,412 56
" do. do. for the arrangement made with Mr. Nathaniel Davidson, for a similar affair.....		42,754 00
	$	5.475,514 73

NOTE 1st.—Some of the amounts paid for the affairs of the house of Mackintosh are not included in this liquidation, because the short space of time has not permitted the examination of the documents.

2nd. Neither is any notice tak en of the sums paid to the present time for the *Conducta* of Laguna Seca, because the amount belonging to British subjects can not be known with exactitude, although it may be assured that the greater part of the 400,000 dollars returned to Mr. Chabot, of San Luis, was British property

THE "CONDUCTA" OF S. LUIS.

In the month of January 1857, (Comonfort's Government), a part of the garrison of San Luis, commanded by Colonel Calvo and other chiefs, revolted and extracted from the British Consulate the funds destined to form a "*Conducta*" which should have been embarked at the port of Tampico, and which "*Conducta*" had been detained there (in San Luis) by various orders of the subordinate authorities.

Without entering into any debate or question of principle with the diplomatic agents, (who did not omit to immediately address their respective notes), the Government, by an order dated the 8th of June, arranged for the payment of the amount extracted, ("ocupado") by 15 per cent. of the export duties of the maritime customs, in these words: "that the Supreme Government respects and will "enforce the application of the assignment made for this payment, "in asmuch as its honor and good faith is compromised in so doing."

The Government, without being in any way compelled by the Legations, did not confine itself to the making of this arrangement, but

prepared its troops, (under the command of General Don Anastasio Parrodi) and attacked the rebels,–who, through the aid of the money, had acquired considerable strength, and after a well contested and sanguinary battle, were conquered in the point called "*La Magdalena,*" without there having been rescued from them more than an insignificant amount.

The assignment of 15 per cent., and the sums that could be separated in Mexico, were commenced to be delivered, from the 2nd. of July 1857, to Messrs. Graham, Geaves & Co., agents for the several creditors. We believe that, in justice, there is nothing to be alleged against the nation in this case. If one part of the armed force revolted, and committed abuses by taking the property of Foreigners and Mexicans, the Government ordered the payment of the capital, interest, and expenses, and also punished those who committed the crime, not only by conquering them, but by executing some who were taken prisoners.

The liquidation presented by the house of Graham, Geaves & Co., dated March 1859, is the following:

DEBTOR.

Total amount extracted from the British Consulate in San Luis Potosi, on the 1st. January 1857.. ....$	240,000	00
Difference of export duties on said amount at 2½ per cent.....	6,000	00
Freight, escort, and circulation duties on 43,656 dollars paid in Mexico, instead of at the place of embarkation.....	1,339	70
Interest on the amounts as per account..	14,349	73
$	261,689	34

CREDITOR.

Total amount, received in Mexico and in the ports of Vera Cruz, Tampico, Manzanillo, and San Blas....	253,603	44
$	8,085	99
Interest on this amount from January 1857 to March 1859.....	1,091	61
Balance in favor of the interested parties and interest up to the 31st. March 1859.....	9,177	60

The General Treasury formed, on its part, a liquidation up to the 31st. December 1861, which shows a balance in favor of the interested parties of.....	7,513 67
Balance of the account of Geaves.....	8,085 99
Difference.....$	572 32

which proceeds from the liquidation of interest and the abatement made of the export duties payable by the funds exported at the port of Tampico; but be this as it may, the difference is very small and can be easily arranged. The interest of 6 per cent. will have to be added for the time that may transpire until the final settlement of the small sum now due.

THE "CONDUCTA"

OF LAGUNA SECA.

EXTRACT.

The city of Guadalajara, the capital of the State of Jalisco, being occupied by the troops of the reactionary Government, established in Mexico, the forces of the States marched into the interior for the purpose of attacking and capturing that city, and this operation was of so much importance, that it produced the anticipated result. The city was taken and the main body of the reactionary army destroyed; the Constitutional forces were enabled to march on this capital, and took possession of it, after having defeated the troops under the command of Don Miguel Miramon at Calpulalpam. The importance of this event, but above all, the imperious necessity in which the Generals,—who had united an increased number of troops,—found themselves, of providing prompt resources for the soldiers, who would otherwise have disbanded and overrun the country, committing every class of excesses against natives and foreigners, induced them to choose the least of two evils, viz: the seizure of the fonds that had accumulated in various cities of the interior on their way to the port of Tampico.

On the 18th of September 1860, the late General D. Santos Degollado, ordered the seizure [*ocupacion*] of the "*conducta*" of specie that was met with in the farm [*hacienda*] called Laguna Seca, in the State of San Luis Potosi, and on the 19th, General Ignacio Echeagaray delivered all the funds to the commissariat, which amounted to 1.127,414 dollars 77 cts., belonging to various private individuals and merchants, including Mexicans, English, French, Spanish and German. On the 20th of the same month 400,000 dollars of this sum was returned to Messrs. Chabot, Brothers, of San Luis, and the remainder was made use of for the necessities of the Constitutional army.

An exact idea of all these particulars may be gathered from the account published by the said Sr. Degollado on the 16th of February 1861. (See copy which is accompanied under letter A).

The conduct of Sr. Degollado was, as far as it could be, that of a financier who seeing himself compelled to sanction an act which was repugnant to his sense of delicacy and moral duty, acted solely from politic considerations of such urgency, that they could not be disguised from any one who was persuaded that the success of the military operations depended exclusively on the prompt and immediate resources which the troops beseiging the city of Guadalajara might receive.

Sr. Degollado did not take from these funds more than was absolutely necessary for him to live,—he renounced the chief command of the army, and demanded a trial; therefore, this act, whatever opinion may be formed of him, can never imply a charge against his personal conduct.

The Constitutional Government admitted his resignation, and the command of the army devolved upon the Governor of Zacatecas, General Don Jesus Gonzalez Ortega.

Sr. Degollado having retired from public life, went to Morelia, (capital of the State of Michoacan), and in the beginning of the month of December 1860, visited Toluca to await an opportunity for the commencement of his trial. Surprised in that town, in company with the Governor of the State of Mexico and Don Benito Gomez Farias, by General Miramon, he was on the point of being shot, together with his comrades. Having been brought to this Capital, he—on the departure of Miramon from the Palace after losing the battle of Calpulampam—took the provisional command of the

Capital, in union with Sr. Berriozabal; and on the terrible night of Christmas-day, it was not Sr. Pacheco, but on the contrary Sr. Degollado, who caused Colonel Don Aureliano Rivera and his forces to arrive in this city without any loss of time, and by personally organizing, and giving instructions to, the French and Spanish who had armed themselves, aided in frustrating the disasters which might have happened to the foreign and native inhabitants, during the interval of the departure of the defeated party and the entrance of the victorious forces of the Constitutional army.

On the 24th of October 1860, the Government of Sr. Juarez issued at Vera Cruz a decree, (which is copied under letter B), by which the products of the Convents were destined to the payment of the sums seized in Laguna Seca. This measure did not have the desirable effect anticipated by the Government, because the lots in which the suppressed convents were divided, had, and even at the present day have, very little value, and it has scarcely ever been possible to make sales for hard cash. In compensation, the Constitutional Government, from the time of its being reinstated in the Capital has not pardoned any step to effect the payment of the Bills (*conocimientos*) as they have been presented, always admitting them as cash. Therefore, it may be said that this debt is in course of payment, and that instalments are daily and successively made.

The liquidation formed by the General Treasury (marked letter C), shows that up to this date $346,018 43 cts. have been paid for capital, and $4,839 23 cts. for interest, leaving a balance of $338,151 03 cts. in favor of the holders of the *conocimientos*, but to whom they may belong we do not exactly know, as they are payable to the bearer and change hands daily.

It is to be observed that an interest of One per cent. per month is conceded to this debt, which is not assigned to any other. The Government was not only desirous of paying this balance without delay, but incessantly urged a general and definitive arrangement with the interested parties, which was not accomplished, because the British Legation pretended that the English should be paid in preference, whereas the Government could do no less than endeavour that the persons concerned in the funds should be treated on an equality.

To conclude this hastily written extract,—as nothing of importance remains to be stated respecting this account, except that it is strictly just and ought to be paid as early as possible, without the

...ssity of instigations or compulsions of any description,— we w
...ay the homage that is justly due to the unhappy and tragical fa
...t Sr. Degollado, which owed its origin to the unfortunate event
...he seizure of the conducta.

Sr. Degollado remained in this Capital, deprived of all politic
...command and urging the conclusion of his trial.

As soon as information reached Mexico of the crime committ
in the person of Sr. Ocampo,—who was apprehended by the Spani
guerrillero Cagigas, and shot by Marquez,— Sr. Degollado present
himself before the Congress and offered his services, on conditi
that he should afterwards be judged according to the laws. The Co
gress accepted these services and the Government confided a briga
to his charge. In the mountain of "*Las Cruces*" (midway betwe
this Capital and Toluca) he encountered the reactionary forces a
was defeated, and having fallen prisoner was shot within a fe
hours. (June 1861).

Ever since the event of Laguna Seca, Sr. Degollado was di
gusted even with himself: the pending trial overwhelmed him, a
in the conception of all who knew him, he only desired an opport
nity to conclude an existence which his duties and political compr
mises had embittered.

The Constitutional Government, therefore, without denying, in
political point of view, the services rendered by Sr. Degollado in t
"occupation" of the money at Laguna Seca, was compelled to separa
him from the command, and subject him to a trial, notwithstandi
his distinguished services and his high position in society, becaus
morally speaking, it could not countenance an act in variance wi
the obligation of the public authority, which is to protect propert

A

ACCOUNT of the distribution of the money taken from the Conducta in the Hacienda de Laguna Seca, by General Don Santos Degollado.

1860.		DEBIT.	CREDIT.
September 19.	Delivered to the General Commissariat at Lagos, by general Don Ignacio Echeagaray.....	$ 619,500 00	
„ 20.	Delivered by Degollado himself.	507,914 77	
	Returned to Messrs. Chabot, Brothers, of San Luis Potosí, on account of the sums belonging to *British Subjects*.....		400,000 00
	Returned to various for sums remitted by the Conducta, and for duties advanced.....		43,245 31
	To the staff of the General in Chief, Don Santos Degollado		1,567 30
	To the Secretariat of the said General.....		627 00
	To the brigade of the head quarters of the Federal army.....		36,189 31
	To the guard of the head quarters..		1,159 12
	To various, for general expenses on account of the said head quarters.....		1,740 57
	To the general commissariat department accompanying General Degollado.....		3,200 00
	To the army beseiging Guadalajara.....		516,463 65
	Forward.....	$ 1.127,414 77	1.004,192 26

Forward.....$	1.127,414 77	1.004,192 26
To the army of observation.....		79,778 13
To the Military Commandants Department of San Luis Potosí....		16,334 62
To the 1st Reform batallon of San Luis Potosí.....		2,573 87
„ Various non-commissioned (*suelto*) Generales, Chiefs and officers.....		1,305 87
„ The State of Durango.....		4,143 00
„ d.° „ Guanajuato.....		10,200 00
„ d.° „ Aguascalientes....		32 06
„ Various employés of the head quarters of the army.....		720 00
„ The General Post-Office of the Republic.....		758 00
„ Don Fermin Gomez Farias, Commissary General.....		1,112 50
„ The employés of the Commissariat.....		1,168 50
„ Abraham Aldana for mule-hire in the *conducta*.....		3,780 00
„ Various, for forage of animals in the Commissariat service.....		150 56
„ The escort of the Commissariat...		506 83
„ Sundry Couriers.....		549 00
Balance *en contra*.....		110 57
	$ 1.127,414 77	$ 1.127,414 77

General Commissariat of the Federal Army.
San Pedro Analco, October 31st 1860.—*J. R. Ortega.*

B.

DECREE of the 24th October 1860.—Assignment of the products of the Convents for paying the amount seized from the Laguna Seca "conducta," which were unsold at the above date.

Secretariat of State and of the Finance Department and Public Credit.—Your Excellency.—His Excellency the Constitutional President *ad interim* of the Republic, has deemed fit to address me the following:

"The citizen Benito Juarez, Constitutional President *ad interim* of the United Mexican States, to the inhabitants of the Republic, Know ye:

That in use of the full powers with which I am invested, I have deemed it expedient to decree:

Art. 1st. The products of all the Convents not sold at this date, shall be specially assigned to the payment of the *conducta* seized by the Constitutional forces in the month of September last year, and to the indemnity of detriments caused by that seizure; which convents are to be sold in conformity with the Law of the 13th of July 1859.

Art. 2nd. In order to facilitate the sale of said edifices, the provisions of the aforesaid Law, exacting the previous division of the said property into lots, is hereby revoked; and such division shall only be practised when its non-fulfilment may render the sale difficult to be effected, and in this last case care shall be taken that the division may be natural, convenient, and in accordance with the police ordinances.

Art. 3rd. All acts that may be dictated by any inferior authority of the General Government, or established by the States, thereby infringing this decree, shall be null and void; and the author of such acts and those who may execute them, shall immediately be suspended from their employ, and take their trial, subject to the penalties imposed by the laws on defrauders of the national revenue.

Therefore I command that this be printed, published, circulated, and that due compliance be given thereunto. Dated in the Palace of the General Government in Vera Cruz, on the 24th October 1860.—*Benito Juarez.*

To the citizen Juan A. Zambrano, chief clerk in charge of the Finance Department and Public Credit.

And which I communicate to your Excellency for your knowledge and fulfilment.—Palace of the General Government in Vera Cruz, on the 24th October 1860.—*Juan A. Zambrano.*

[redacted]

C.

ACCOUNT of funds taken at Laguna Seca, and of the amounts paid on the same to various parties.

Amount seized by General Santos Degollado in the *hacienda* of Laguna Seca, on the 19th & 20th September 1860, as per account under letter A.....		$ 1,127,414 77
Of this sum there were returned to the Messrs Chabot, Brothers, of San Luis Potosi.....	$ 400,000 00	
Also for duties advanced on the said amount of $ 1.127,414 77.....	43,245 31	
		443,245 31
The nation remained owing.....		684,169 46
Particulars of sums paid up to date:		
To Messrs. Sescosse, Brothers, amount of Bills of Lading, numbers 9, 13, 74, 76, 78, 82, 84, 176 and 626	63,854 72	
„ Don Justo Carresse, value of Bills of Lading, numbers 25, 28 and 52.....	12,742 22	
„ Messrs T. Labadie & Co., value of a receipt for $ 300, deducting 31½ per cent, which their Agents in Zacatecas remitted to Don Dionisio Camacho, of Tampico.....	205 50	
„ Don José Antonio Rico, amount of Bills of Lading, numbers 77, 81, and 82.....	13,677 16	
„ Don Antonio Gutierrez Victory, amount, of numbers 9, 21, 82, and 157....	12,415 79	
„ Don Telesforo Barroso, amount of numbers 40, and 180.....	2,472 00	
„ Don Pablo Berges, amount of number 529.	2,112 57	
„ Don José M. Aguirre, in payment of Bills of Lading, numbers 12 and 13.....	13,333 34	
Forward.....$	120,813 30	684,169 46

	Forward ..... $	120,813 30	684,1
	Messrs. Weinmayer, Kaufman & Co., in payment of numbers 81, 135, 173, & 193...	5,316 82	
	Messrs. Meyer Brothers, in payment of four Bills of Lading not yet delivered according to Guarantee given in the General Treasury	1,930 56	
	Messrs. Dietz & Co., in payment of five Bills of Lading, also not yet delivered according to Guarantee given in the said Treasury	18,371 18	
	Messrs. Lopetegui & Mairesse, in payment of triplicate Bills of Lading, numbers 35, and 136	22,358 57	
	Messrs. E. Maillefert & Co., balance of Bill of Lading, number 50	129 78	
	Messrs. Bates, Barton, amount of numbers 2, 3, and part of 11	10,069 81	
	Don Conrado Paschen, amount of numbers 16, 17, 23, 26, 29, 32, 33, 34, 41, 60, 63, 68, 70, 71, 80, 88, 92, 175, 194, & 532...	22,798 80	
	Don Luis Kubli, amount of numbers 61 and 66.....	100 00	
	Don Antonio Gutierrez Victory, amount of a certificate issued by the General Treasury for Balance of Bills of Lading, numbers 9, 15, 21, and 32.....	3,725 00	
„	Messrs. Martin, Daran, & Co., amount of numbers 79, 83, and certificate for balance of numbers 77, 81, & 82.....	5,827 88	
„	Don Victor Garcia, amount of numbers 15, 16, 18, 89, 110, 158, 159, 160, 164, 556, 557, 558, 559, 560, & 562.....	53,612 94	
„	Messrs. Bates, Barton, amount of numbers 11, 18, 48, 49, and 51.....	4,488 50	
„	Don Manuel A. Fernandez, value of numbers 18, 27, and 28.....	12,703 84	
„	Messrs Brehm, Kubke, and Messrs R. C. Ritter & Co., amount of number 93.....	1,500 53	
„	Don Ricardo Sainz, representative of Don Luis Kubli, value of numbers 61, & 66....	1,253 06	
„	Don Juan Arteaga, amount of number 85,		
	Forward.. .....$	278,194 52	$ 684,1

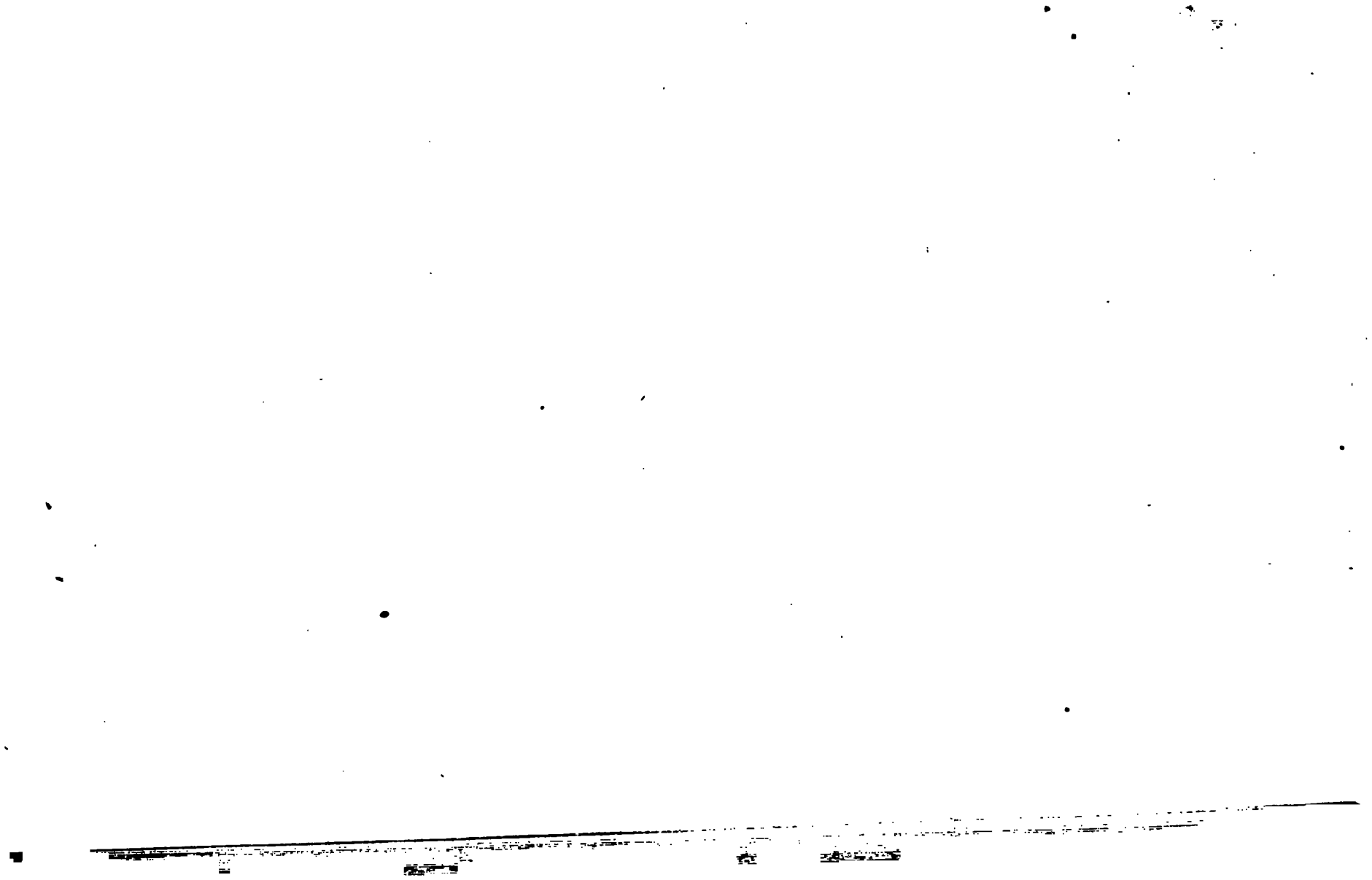
Forward .....$	278,194 52	$ 684,169 46
paid by the Finance Department of Zacatecas, in virtue of the decree of the 24th October 1860....	4,198 67	
To Messrs. Barron, Forbes....	20,000 00	
„ Don Carlos Whitehead, for value of Bills of Lading.....	48,825 24	
		346,018 43
Amount due.....		$ 338,151 03

Besides the $ 346,018 43 cts., which the nation has paid on account of $ 684,169 46 cts., capital taken at Laguna Seca, it has paid to the interested parties comprised in the foregoing demonstration, $ 40,839 23 cts. for interest, and $ 41,603 88 cts. for duties and expenses, which is equivalent to 24 per cent. on the amount redeemed up to this date; therefore, the total sum paid amounts to..... $ 428,461 54

NOTE.—The amount of orders drawn on sundry offices for the payment of other sums relative to this *conducta*, is not included here, because no advice has been yet received of their being satisfied.

General Treasury of the nation.

March 10th 1862.—***Antonio de Palacioy Magarola.***



THE DAVIDSON AFFAIR.

EXTRACT.

On the 30th. of September 1850, when the Capital of the Republic was occupied by the reactionary Government, Mr. Nathaniel Davidson, agent of Messrs. Rothschild & Co. of London, made a proposition to advance $700,000, by paying 475,000 dollars in hard cash, and 225,000 in Bonds of the interior Debt of Mexico. The other particulars of this proposition may be seen in the accompanying document, marked A.

The delivery of the money and Bonds, in conformity with his proposition, was made between the 2nd. October 1858, and the middle of August 1860.

The commissioners named by the Archbishop were enabled, after much difficulty, to place in the hands of Mr. Davidson certain titles [*escrituras*] so that he might pay himself the 700,000 dollars; but as the titles which Mr. Davidson considered to be good and negotiable, were not sufficient to cover the amount due to him, he consented to receive sundry houses ("*fincas*") situated in the capital.

The Constitucional Government of Vera Cruz had by several decrees both in general and particular cases, refused to recognize the

parties, and made arrangements with them successively in the terms mentioned in the accompanyng account marked C.

It should be observed in this affair, that Mr. Davidson acquired the houses ("*fincas*") previous to the passing of the laws for the nationalization of the Church Property in Vera Cruz, and that, notwithstanding, he succeeded in making arrangements with the "*adjudicatarios*" who had obtained rights in conformity with the law Lerdo of the 25th of June 1856; therefore, the disbursements which the Government had to make were diminished, as well as the difficulties, which, in a great measure, were overcome by Mr.Davidson himself.

In all this affair, up to the present date, there are only two houses which remain pending, viz: No. 12 in the 1st. *Calle del Relox*, and No. 2 in the *Calle de Leon*, and although the parties interested therein are already indemnified, the tenants continue certain proceedings before the Tribunals, which, as yet, it has been impossible to conclude.

Lastly, was still the balance of a "*capital*" of 14,000 dollars, arising from one of the title deeds delivered to Mr. Davidson by the Clergy in September 1858, (before the law was passed in Vera Cruz, prohibiting the Clergy from disposing of their "*capitales*"), and also the sum of 24,800 and odd dollars, of three title deeds which the Government, with the consent of Mr. Davidson, ordered to be redeemed; consequently, the Government became responsible for the payment of the amount.

For the final settlement of these sums, Mr. Davidson has made an adjustment with the Committee of the Finance Department, and entered into an arrangement, by virtue of which, 10,000 dollars are to be deducted from the 54,000 dollars he engaged to deliver for the dowry of the nuns—a *capital* of 11,000 dollars to be designated, and to be redeemed in the proportion of 50 per cent. in Bonds, and the remaining 50 per cent. from the balance due to him—10,000 dollars in lots of the San Franciso Convent—and lastly, a certificate of 6,936 dollars to be admitted in whatever payment he may have to make in cash to the Government.

This, in substance, is the Davidson Affair, which is already terminated, but an important observation remains to be made. When there is good faith and no desire to make claims, the most difficult affairs can be arranged, of which this is an example; wherein, it may be said, the greatest complications have presented themselves, in consequence of the many and varied interests that were attacked—

the excessive pretensions of the "adjudicatarios and denunciantes" —and, lastly, the many law suits that had already been commenced in the Tribunals. Through the perseverance and energy of Mr. Davidson, and the good disposition of the persons who have discharged the duties of the Finance Department, all obstacles have been surmounted, but not without considerable disbursements on the part of the Treasury, which spared no expense, in order to give a proof of the friendly relations that Mexico wishes to cultivate with the Her Britannic Majesty's Government.

A.

PROPOSITIONS made by Mr. N. Davidson for the loan of 700,000 dollars to the Government, on the security of Church Property.

The transaction between the Supreme Government and Mr. N. Davidson is concluded under the following terms:

1st. For 700,000 dollars in title-deeds to be delivered by the Venerable Clergy in favor of Mr. Davidson under the conditions entered into..... $ 700,000

Terms of payment.

In cash.....	$ 475,000	
In Bonds.....	225,000	700,000

Mr. Davidson shall deliver to the Supreme Government on the day on which the agreement entered into may be signed on the part of the Venerable Clergy, the sum of 150,000 dollars; 50,000 of which shall be in Bills drawn on Guanajuato, and the remaining 100,000 dollars, in cash, in this capital.

Ten days from the first payment, Mr. Davidson shall give another amount of 150,000 dollars in the same terms as the former instalment.

The balance, to complete the 475,000 dollars shall be delivered by Mr. Davidson thus:—100,000 dollars in twenty days after the first payment, and the remaining 75,000 dollars in thirty days.

If in twenty days the Venerable Clergy should not have delivered to Mr. Davidson titles for the value of 300,000 dollars at least, he shall have the right to withhold the 100,000 dollars payment until such a time as the Venerable Clergy shall comply on their part.

Mr. Davidson shall have the same right with respect to the last payment, in case he should not have received at least 620,000 dollars in title deeds.

If on the contrary, the Venerable Clergy should deliver all the title deeds previous to the periods indicated, then Mr. Davidson shall be obliged to anticipate all the amount that may be wanted to complete the sum total of 475,000 dollars.

Mr. Davidson shall deliver within two months from this date, the 225,000 dollars in Bonds of the 3 per cent of the interior Debt.

Mexico, September 30th. 1858.—*N. Davidson.*

B.

LIST of the houses acquired by Mr. N. Davidson from the Clergy.

			Assessed value for the adjudications.	Assessed value which they had for the payment of contributions.
No.	18.	3rd. calle de San Juan.....		$ 2,100 00
„	19.	„ do. do.		2,100 00
„	5.	2nd. do. del Salto del Agua.....		11,630 00
„	13.	Calle de Jesus Nazareno.....	18,800 00	11,890 00
„	14.	„ do.....		11,050 00
„	3.	4th. calle del Relox.....	12,000 00	12,000 00
„	25.	Calle de Chiconautla.....	8,200 00	8,000 00
„	4.	„ del Angel		40,450 00
„	15.	„ de Cadena.....	9,033 33	10,200 00
„	2.	„ de Leon.....	10,000 00	10,200 00
„	1.	„ de las Escalerillas.....	13,600 00	15,000 00
„	2.	„ do.....		
„	3.	3rd. Order of San Agustin.....		12,550 00
„	19.	Calle de Santa Clara.....	19,400 00	15,480 00
„	8.	„ de San Bernardo	16,200 00	10,600 00
„	8.	„ de la Alhondiga.....	8,800 00	4,500 00
„	9.	„ do		4,800 00
„	2,	„ de las Vizcainas.....	20,460 00	4,400 00
„	3.	„ do.....		10,800 00
„	4.	„ do		4,400 00
„	5.	„ do.....		3,000 00
„	9.	1st. Calle de San Juan, 18 del Puente Quebrado	6,400 00	17,880 90
„	10.	do.....		
„	12.	do.....	6,000 00	
„	14.	do	2,800 00	
„	15.	do.....	5,200 00	
„	16.	do.....		
„	18.	do.....		
„	4.	Estampa de Balvanera.....	20,000 00	13,000 00
„	1.	Calle de San Bernardo.....	36,000 25	15,400 00
		Forward.....	$ 212,893 58	251,430 90

		Forward..... .....$	212,893	58	251,430 90
No. 18.	„	Medinas			10,000 00
„ 12.	„	Relox, 1st.....	17,200	00	
„ 1.	„	Montealegre	7,500	00	9,300 00
„ 8.	„	Santa Inés....	11,770	00	9,901 28
„ 13.	„	Monterilla, 2nd.....			10,600 00
„ 4.	„	Medinas.....	11,333	00	30,833 28
„ 3.	„	D. Juan Manuel.....	25,000	00	21,100 00
Letter A.		Rooms on the ground floor "*Accesoria*" de la calle de la Polilla.....			500 00
„ B.		do. do.....			500 00
„ C.		do. do.....			500 00
„ D.		do. do.....			500 00
„ E.		do. do.....			500 00
„ F.		do. do			500 00
„ G.		do. do.....			500 00
No. 2.		Calle de Balvanera.....	13,000	00	13,000 00
		Total..... $	298,696	58	$359,873 46

Note.—The blanks that may be observed in some values of the houses have not been filled up, in consequence of the press of time, which has not permitted us to refer to all the data relative thereto.

LIST of the capitals received in part payment of the contract of 2nd. October 1858.

TITLE DEEDS FOR CAPITALS OVERDUE.

Number	1.	To del Rio y Gallo. Estate of San Miguel de Solis. $	2,650 37
„	2.	„ María O. de Valdivieso. No. 9, 2nd. calle de Plateros.....	4,000 00
„	4.	„ Loreto S. Peredo. No. 9, calle de S. Bernardo.	8,000 00
„	5.	„ Dolores Izedo de Flores, number 15, Puente de San Francisco.....	6,100 00
„	6.	„ Mateo de la Tijera. Estate of Tepenacasco...	10,000 00
„	7.	„ Doña Josefa Adalid. number 2, calle del Espiritu Santo.....	12,000 00
„	8.	„ María P. Teran de Alvear. number 4, calle de la Santísima, 1st.....	2,300 00
„	9.	„ Martinez del Rio. Callejon de Betlemitas number 12.....	14,600 00
		Forward.....$	59,050 37

			Forward.....$	59,050 37
Number	10.	To	José Elias Fagoaga. Farms of Balbuena, Arenal & Moral.....	8,000 00
„	11.	„	Mrs. Romero de Terreros. Estate of San José & San Antonio, Tula.....	4,000 00
„	13.	„	José Santiago Monterubio. Calle de Curtidores, number 11.....	2,000 00
„	14.	„	Francisco Lelo de Larrea. 3rd. calle del Rastro, number 4.....	4,000 00
„	15.	„	F. de P. Pastor. 2nd. calle de la Monterilla, number 5.....	1,000 00
„	16.	„	Mariano Esteva. House in Coyoacan.....	2,030 00
„	17.	„	María Guadalupe Gorraez de Cosio. Calle de la Mariscala, number 2.....	10,000 00
„	18.	„	A. de la Lastra. Estate of Salitrillo.....	1,000 00
„	20.	„	G. Sagaseta. 2nd calle de la Monterilla, numbers. 10 & 11.....	12,800 00
„	21.	„	J. M. Borda. Old Post-Office, calle de San Francisco.....	2,000 00
„	23.	„	Julia & Faustina Fagoaga. Hacienda Blanca & House in the calle del Arzobispado.....	4,000 00
„	24.	„	Do. do. do.....	2,000 00
„	25.	„	M. Guadarrama. House in Tacubaya, (Ontiveros.).....	1,000 00
„	26.	„	Luis García. Portal de las Flores, number 8.	7,000 00
„	27.	„	Dolores P. de Peña. Calle de la Joya number 4.....	5,000 00
„	28.	„	Luisa M. de Cardenas. Farm of Sandía.....	1,000 00
„	30.	„	Gabriel Urbina. Calle de Manzanares, nrs. 11, & 12.....	3,000 00
„	31.	„	J. P. Garcia y Garcia. 2nd. calle del Relox number 2.....	2,000 00
„	32.	„	Juan Romero de Terreros. Calle de la Pulqueria de Palacio, number 3.....	6,000 00
„	33.	„	José María Espinosa. Calle del Espíritu Santo, number 4.....	2,000 00
„	34.	„	José María Tamayo. Rivera de San Cosme, number 16.....	1,500 00
„	35.	„	Isabel Lopez de Ortuño. Farm of Amiltepec.	12,000 00
„	37.	„	Cayetano Ibarra. Callejon del Espíritu Santo, number 14.....	3,000 00
„	38.	„	Rafael Rebollar. Calle de Necatitlan number 22.....	2,000 00
			Forward.....$	157,380 37

			Forward.....$	157,380
Number	39.	„	José J. Elizalde. Estate of Hueyapan.....	4,000
„	40.	„	Dolores Gil de Briones. Estate of San Isidro, San Luis de la Paz.....	9,177
„	42.	„	María Santa de Elorza.....	2,000
„	43.	„	José R. Ibarrola. Puente del Correo Mayor, number 9.....	1,000
„	44.	„	José Moran. Estate of Nalvarte.....	650
„	45.	„	Rafael Colin. Estate of Rincon de Guadalupe.	4,000
„	46.	„	J. M. Capetillo. Calle del Factor number 6...	5,000
„	48.	„	José María Estrada. Calle del Espíritu Santo, number 8.....	8,000
„	50.	„	Mariano Tagle. House of Aldama, calle de Santa Catarina.....	12,000
„	52.	„	Manuel M. Villada. Calle de la Misericordia numbers 3. & 4.....	4,410
„	53.	„	Mariana Reyes. Estate of the Goleta.....	8,000
„	54.	„	Raimundo Mora. Estate of Enmedio.....	7,875
„	55.	„	José Antonio de la Torre, 1st. calle de San Juan, number 1.....	6,000
„	56.	„	Gerónimo Villamil. Estate of Bojay.....	6,700
„	57.	„	Juan Ramos. Calle de Flamencos, number 4.	10,000
„	58	„	Juliana A. de Pedraza. Calle de la Canoa number 10.....	8,000
"	60.	„	José M. Luengas. Puente de San Francisco, numbers 2. & 3.....	4,000
			Documents received by J. B. Jecker & Co., in a bill against me.....	18,405
„	12	„	Juan R. de Terreros. Calle de San Felipe Neri, number 19.....	2,000
				$ 278,598

Mexico, March 12th. 1861.—*N. Davidson.*

C.

Account of sums paid by way of compensation to the individuals who held claims upon the houses "fincas" comprised in the Davidson contract.

Number	1.	Calle de San Bernardo; to D. Manuel Romero Rubio, representative of Don Rafael Junguito, in Promissory notes.....	$ 2,000 00
„	13.	2nd. Calle de la Monterilla	
„	15.	Calle de Cadena. To Don Manuel Berea for the two last mentioned houses, in Promissory notes.....	4,000 00
„	5.	Calle de Balvanera: to D. Juan Argumedo $10,766 in Promissory notes, and an order for $5,000 against Davidson.....	15,766 00
„	8.	Calle de la Alhóndiga: (Davidson acquired the rights of the adjudicator.)	
„	2,	3, 4, & 5 Calle de las Vizcainas: (Don Angel Peña sold his rights to Davidson.)	
„	5.	Calle segunda del Salto del Agua. Seven "accesorias" in the calle de la Polilla. To Don Lorenzo Ceballos as "denunciante" in Promissory notes.....	1,500 00
		Four "accesorias" in the calle de la Polilla to Don Cayetano Tellez, under the condition of delivering te promissory notes, not yet received...	2,750 00
„	14.	Calle del Puente Quebrado: to Marcelino Sanchez in cash.....	800 00
„	8.	Calle del Tercer Orden de San Agustin: to Messrs. Calpini, Brothers, an order for $2,000 on Davidson, and $4,476 in another order against the Department of Justice.....	6,476 00
„	12.	Calle primera de San Juan.	
„	4.	Do. del Angel.	
„	16.	Do. del Puente Quebrado.	
		Forward.....	$ 33,992 00

		Forward.....$	33,992
		To Don Joaquin Villalobos, for these three houses...	982
Number	8.	Calle de San Bernardo: to Don Ignaccio Amézarri..	660
Letter	G.	Accesoria: calle de la Polilla, to Don Agustin Meneses.....	120
Number	6.	Calle de Medinas.	
„	1.	Do Montealegre.	
		Don Juan Argumedo received for these two houses an order on Davidson, for.....	5,000
		Note, (*vale*) paid by Davidson to Don Manuel Berea without expressing the house.....	2,000
			$ 42,754

All the sums paid by Davidson were deducted from the amount of $62,0 which he had to deliver to the Supreme Government, according to the contrac

Mexico, April 3rd. 1862.—*Antonio P. Mota.*

NOTE.—There is not to be found amongst the documents that exist in t office, any data of further indemnities having been made than those above m tioned.

[redacted]

THE BARRON AFFAIR.

EXTRACT.

The English house of Messrs. Barron, Forbes, & Co., established in Mexico, loaned to the reactionary Government on the 6th of March 1858, 120,000 dollars, and on the 31st of the same month, a further sum of 200,000 dollars, to secure the payment of the last instalment of the indemnity approved of by Congress in the Degollado affair.

The Treasury paid them upon the first Loan 19,595 dollars for interest, and 33,000 dollars upon the second.

As it was stipulated that Mr. Barron was to be paid with part of the funds offered by the Clergy to Zuloaga, and as the Clergy could not procure the money in cash, the said house of Barron had ultimately to admit in payment certain "*capitales*"[1] and corporation property, at conventional prices, the nature of which, we, at this moment, do not know.

This transaction was not approved of by the Constitutional Government, for the same reasons explained in relation to the Davidson affair; but it consented in like manner to enter into an arrangement with the interested House, and, in consequence, on the 6th of May

(1) Title deeds for certain amounts invested in landed and household property.—*Trl.*

1861, the propositions presented by Licentiate D. Emilio Pardo, representative of the said house, were approved of by the Department of Finance.

In virtue of these propositions, the Government consented to recognize the acquisitions of the property which had been obtained by Messrs. Barron, Forbes, & Co.,—to indemnify the "*denunciantes*," "*adjudicatarios*," or any other persons who might have acquired, in conformity with the laws of "*desamortizacion*," titles or rights to the same property;— and to terminate the disputes which might be pending in the Tribunals.

The properties which belonged to the house of Barron, were those enumerated in the list marked A.

Messrs. Barron, Forbes, on their part, obliged themselves to deliver to the Government the sum of $ 30,000 in hard cash, and $ 20,000 in Bills of Lading of the "*Conducta*" taken at Laguna Seca.

The propositions of Lic. Pardo, concluded with the following paragraph:

"As the principal bases of this agreement is to avoid the conti-
" nuation of *the diplomatic claim already commenced*, it is communi-
" cated to the Department of Foreign Affairs for its information, and
" in order that it may be placed before Her Britannic Majesty's
" Minister, thus bringing the Claim to a termination."

To conclude this contract effectually, the Government convoked the various "*adjudicatarios*" and "*denunciantes*" of the houses, with the objet of proposing to them, the relinquishment of the rights they possessed therein, and thus terminate the judicial questions; the house of Barron, Forbes, remaining in full and pacific possession of their properties.

The Government granted to the interested parties, the indemnities mentioned in the list marked B.

To carry this arrangement into effect, the Government, far from recovering the houses sold by the reactionary authorities, had to pay large sums to the several "*adjudicatarios*" and "*denunciantes*," in order to terminate the many litigations which the house of Barron, Forbes, & Co., were already carrying on in the Courts. With respect to the "capitales" claimed by the said Mr. Barron, it was determined that they should not be redeemed, and, up to this date, only the houses No. 6. Calle de Mesones, and No. 1, Calle del Rastro, were pending, to definitively conclude this affair. The Finance

Commitee (*Junta de Hacienda*) have cited the parties interested, and, perhaps, before the printing of this Report is finished, these questions will have been decisively arranged.

It is evident that if there be any objection to make respecting the affairs belonging to British Subjects, it is the amplitude of the indemnities granted to the "*denunciantes*" and "*adjudicatarios;*" many of whom received nearly double the value of the houses according to the laws of "*desamortizacion,*" as, for example, in the cases of Don Angel Gonzalez Echeverría and Don Antero Villaurrutia; but, in conclusion, there can be nothing for Her Britannic Majesty's Government to say respecting this, except that the Constitutional Government did everything in its power to satisfy the Legation, and to avoid any well founded motive for complaint on the part of British Subjects.

A.

LIST of houses belonging to the Clergy, which were acquired by Messrs. Barron, Forbes & Co.

				Assessed value for "adjudicacion."	Assessed value for taxes.
Numbers	8.	Santa Teresa.....	La Concepcion..	$ 30,000 00	$ 25,250 00
„	25.	Aguila.....	Santa Isabel.....	11,000 00	18,750 00
„	11.	2nd of San Lorenzo.....	Concepcion.....	13,400 00	19,200 00
„	20.	Coliseo Viejo.....	d.°	19,500 00	35,380 00
„	6.	1st Mesones.....	San Bernardo...	12,540 50	30,000 00
„	5.	Medinas.....	Concepcion.. ...	25,000 00	25,000 00
„	5.	Puente Quebrado..	San Bernardo...	18,000 00	24,000 00
„	13.	2nd Mesones.....	Regina.....	4,000 00	5,500 00
„	1.	2nd Rastro.....	d.°	6,700 00	6,833 31
„	8.	Cuadrante de San Miguel.....	d.°	5,500 00	8,120 00
„	9.	d.°	d.°	6,000 00	10,420 00
„	13.	Cerca de Santo Domingo.....	San Gerónimo..	7,000 00	14,000 00
„	14.	d.°	d.°	9,000 00	14,000 00
„	1.	Plazuela de la Paja.....	Balvanera.....	12,000 00	11,000 00
„	1.	Parque del Conde.	d.°	2,684 00	4,025 00
„	2.	d.°	d.°	3,200 00	6.200 00
„	3.	d.°	d.°	4,000 00	7,000 00
„	4.	d.°	d.°	12,400 00	5,000 00
„	7.	d.°	d.°	6,000 00	10,100 00
„	8.	d.°	d.°	6,700 00	8,500 00
„	9.	d.°	d.°	4,800 00	7,200 00
„	26.	Aguila.....	Santa Isabel....	9,600 00	18,000 00
				$ 229,124 50	$ 309,078 31

B

LIST of indemnities paid to sundry persons who had rights in the houses comprised in the contract which the Supreme Government made with the house of Barron & Co. on the 6th May 1861.

9.	Calle del Parque del Conde. Delivered to Don Alfonso Labat as attorney of D. Ignacio Loperena, 2,800 dollars in Promissory notes, and an order on the Tax-Office to exempt him from 3,000 dollars..... ... $	5,800 00
6.	Calle de Santa Teresa la Antigua. To Don Lorenzo Ceballos, in representation of Mr. René Masson, 4,000 dollars in Promissory notes, and to the said Masson, as a balance of indemnity, $ 27,856 26 cts. in similar notes.....	31,865 26
5.	Medinas. To Don Antero Villaurrutia in Promissory notes.....	40,650 26
20.	Calle del Coliseo Viejo. To Don Angel Gonzalez in Promissory notes.....	32,000 00
25.	Calle del Aguila. To D. Manuel Morales Puente, in Promissory notes.....	4,500 00
13.	Cerca de Santo Domingo. To Don Estevan Chavez y Ramirez.....	2,200 00
5.	Puente Quebrado. To Don Cayetano Tellez, representative of Messrs. Hidalgo & Molina, in Promissory notes.....	11,500 00
1.	Parque del Conde. To Don Ignacio Bravo y Alegre, for the widow of Iniestra, 1,000 dollars in Promissory notes; and an acquitment of 10,000 dollars in Bonds due by him on the adjustment.....	11,000 00
11.	2nd. Mesones.	
12.	d.°	
	For these two houses an indemnity in Promissory notes was given to Don Darío Lezama.....	16,746 74
	Forward..... $	156,262 00

	Forward	$ 156,262 00
4.	Parque del Conde. To Don Francisco Lazo Estrada in his own Promissory notes.....	6,200 00
2.	Parque del Conde. To Don Lorenzo Ceballos, an indemnity for having redeemed this house in Promissory notes of.....	723 44
14.	Cerca de Santo Domingo. To Don Marcelino Sanchez in Promissory notes.....	4,227 12
2.	Calle de Balvanera. To Don Gabor Naphegy, for having denounced and redeemed this house, an indemnity in Promissory notes of.....	3,000 00
	Total.....	$ 170,412 56

NOTE.—Amongst the documents that are at present in this office, there are no data of any further indemnities having been made, than those mentioned above.

Mexico, April 3rd. 1862.—*Antonio P. Mota.*

QUESTIONS WITH SPAIN.

First Convention.—Sundry Credits.

Second Convention.—Credits of "Padre" Moran.

SPANISH CONVENTIONS.

HISTORICAL EXTRACT.

It is nearly eleven years since the noisy affair of the Spanish Convention commenced. There is no person moderately versed in political matters, either in Mexico and in Spain, who has not this question stamped on his memory. We do not know whether the Spanish Embassador Pacheco is well acquainted with the particulars; but with respect to the Count de Reus, we are certain that if he peruses this Report, he will find it defective, and will have much to add and correct. It is indispensable, nevertheless, in order not to be wanting in our plan by leaving this work incomplete, to occupy ourselves in forming a historical extract of the Spanish Conventions, the same as we have done respecting other transactions.

The questions which have arisen from the Spanish Credits are two. The first, and very important one, relates to the *sense* more than to the interpretation of the 7th article of the Madrid treaty, which we insert in the Appendix under No. 1, in order that it may be consulted without the necessity of referring to any other book;

and the second alludes to the introduction of certain credits: consequently, vulgarly speaking, and for the purpose of elucidating the question, it has been said that the Spanish Convention is composed of *good claims* and *bad claims*.

For us, they are all *bad* if they are to be considered as a *foreign debt*, and all are *good* if considered as a *national debt*. It is not our fault if we entertain these convictions, as they arise from (to speak plainly) the 7th article of the Madrid treaty.

For the purpose of making this question understood, if it be possible to explain more clearly that which has been discussed for ten years, we shall not appeal to the doctrines of right, seek for the rules of interpretation, nor agglomerate quotation on quotation, but we shall be guided simply by common sense.

From the year 1524, when Hernan Cortes conquered the City of Mexico, until 1821, when the last Viceroy departed, everything belonged to Spain. Lands, waters, inhabitants, revenues; but from the end of September 1821, all these have passed to the Republic, which made itself Independent.

Whilst the Viceroyal Government was in peace, very far from contracting debts, it had a surplus every year, and sent to Spain many doubloons and many thousands of silver dollars; but from the moment that war broke out, it commenced incurring liabilities which, —as happens in all parts of the world,—was naturally followed up by contracting Loans to a considerable amount.

The war of Independence at length terminated, and then a question occurred to the Creditors: Who is to pay us?

How was Mexico to pay the immense treasures which had been consumed in her civil and foreign wars, and in expenses incurred by the authorities whom she had just disowned?

How was Spain to pay, when she had lost not only all her wealth, but, in a word, all her revenues, all her riches, all her colonies?

The creditors, many of whom were, in truth, in a state of complete ruin, again asked: Who is to pay us?

The Spanish-American race which—whatever may be said to the contrary—possess many excellent qualities, and above all, that of generosity and disinterestedness, did not delay in answering the question.

Who will pay them? I, said the Republic. Although the mother country may be still highly offended and enraged, because I struggled to make myself independent; although war may still exist, and

therewith the right which I have to confiscate the property of my enemies; although these treasures may have served to shed the blood of my children, which, centuries before, commenced to flow in Cholula and in Mexico; although, in fact, a part of these credits may still belong to tenacious enemies of liberty and independence, this matters not, I recognize all these debts, and will burden myself with their payment as well as with the debt that I, on my part, contracted to sustain the war of independence.

This was the spirit of the Decree of the General Congress of 28th June 1824, which is accompanied in the Appendix, under No. 2.

The first Article says: "*All debts contracted in the Mexican Na-*
"*tion by the Viceroyal Government, up to the* 17th *of September* 1810,
"*shall be recognized.*"

Consequently,—without the necessity of any stipulation; without the intercession of treaties, compacts, agreements, or even *diplomatic correspondence* with Spain,—the question which we have said was asked by the creditors, was favorably decided by Mexico. Could it do more? Yes, as in fact it did, because this debt which was unliquidated, dead, and lost before, commenced to exist and be of value from the date of the Decree of the said 28th June.

In this epoch, the administration of Mexico was not familiar with the financial system of consolidations, liquidations, conversions, and arrangements of the public debt, which, in reality, came from Pitt, and amongst us is very modern and imperfect; but, in exchange, the Mexican Treasury received as cash and for its full value all these credits during the time of the Viceroyal Government, without excepting the annusties assigned upon the revenue of the crown, (*creditos de juros*), the pensions to descendents of conquerors, or the funds which the wealthy corporations had lent to sustain the struggle of ten years. The accounts of the General Treasury, from the year 1824 in advance, are full of entries of the *redemption* of these credits, and if we could dispose of more time, we would present a liquidation of *millions*.

In this manner eleven years transpired, and let it be borne in mind, that this was the first debt with which Mexico was encumbered, for that which was contracted in London came afterwards.

In 1836, Spain became reconciled with Mexico, recognized the independence of her ancient colony, and entered into a treaty of amity and commerce.

It evolved upon Spain, in her turn, to show proofs of her greatness and generosity, and on treating of the question of the debt, instead of exacting, as a price of reconciliation, that Mexico should pay the liabilities contracted with the Viceroys, in this or that manner; instead of entering into an intricate, and perhaps interminable, adjustment of accounts, she, writh a majestic dash of the pen,—worthy of the solemn occasion in which two countries shook hands, both of one and the same race, of one and the same religion, of one and the same customs,—resolved the question, which amongst avaricious traders would have been the cause of numerous disputes.

The 7th Article of the treaty of Madrid says:

"Art. 7th. In consideration that the Mexican Republic, by the law of the 28th of June 1824, given by the general Congress, has recognized voluntarily and espontaneously, *as peculiar and national*, all debts contracted against her Exchequer by the Spanish Government and their authorities whilst reigning over the now independent Mexican nation, until they totally ceased to gover the said nation in 1821; and that, moreover, no confiscation of any property belonging to Spanish subjects, exists in said Republic; the aforesaid Mexican Republic and Her Catholic Majesty for herself and her heirs and sucessors, by common acord, *desist from all claim or mutual pre tension that might arise upon the points expressed*, and they declare that the high contracting parties remain freed and absolved, now and for ever, from all liability in this respect."

Therefore, Spain, not content with sanctioning the spontaneous act of Mexico, who *recognized as her own national debt* all the liabilities contracted by the Viceroy Government up to 1810, was desirous of being still more generous, as though she foresaw that, in the course of time, jews, speculators, and money-changers might mix themselves in this question, endeavored to remove from her ancient colony, all motive of displeasure, by permanently securing it from every eventuality, and giving it the means wherewith to defend itself against perfidious attacks; therefore, Spain not only pledged her Royal word, but also that *of her heirs and successors*, and declared that both contracting parties *were free and quit from all responsibility.*

Really, we have not met either in Mariana, Cervantes, or Jovella-

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In reality, the property of the Dominican Friars, called Phillipines, was returned to them, which has since cost the Exchequer of Mexico three or four times more than its value.

nos, anything written in so clear and precise a style as the 7th article of the Madrid treaty.

In virtue of this article, all disputes, questions, and doubts respecting the debt incurred during the period of the Viceroys, remained definitively concluded, and, in fact, five years transpired in perfect harmony and peace.

In 1841, the heirs of a Mr. Pablo Ruiz de Bastida, applied to H. C. M. Minister, and the latter to the Minister of Foreign Affairs of the Republic, soliciting the adjustment of his claim, and the placing of the parties interested on a level with the other creditors.

The interference of H. C. M. Minister in a *debt* which was declared by Mexico to be *its own and national*, was so rare, that it could not but surprise our Secretary of Foreign Affairs, who submitted the question for the opinion of one of our most distinguished Counselors.

Señor Peña y Peña, who was the Counsel to whom we refer, did not resolve the question in substance, although he gave as his opinion —on speaking of the debts contracted up to 1821—that the treaty had made an alteration in the law of the Mexican Congress, an alteration which the Government could not destroy; but from all the reasonings of Sr. Peña and H. C. M. Minister, it may be inferred that Mexico was obliged to recognize the debt contracted with the Viceroys till 1821, but not that this debt, which had become *its own and national*, could be or was *considered as foreign*, nor much less that Mexico should take upon herself *any responsibility with Spain*, in regard thereto, inasmuch as Spain herself had declared Mexico *from this time* (1836) *forward, free and quit from all responsibility.*

Before proceeding further, we will ask a few questions. Who, then, agitated the question between Spain and Mexico? Why, and with what end and motive, did H. C. M. Minister again disturb a question which was understood—not by diplomatists and politicians, but by those who know how to read Spanish—to have been terminated by the treaty of Madrid?

If the debt contracted by the Viceroys up to 1810, or till 1821, (no matter which), had to be *foreign*: To what end does the 7th article say, that Mexico had spontaneously recognized it *as its own and national*?

If it were to remain at the discretion of H. C. M. Ministers to raise up embarrassing questions and disputes respecting the debt we now treat of: To what purpose, then, did Spain in 1836, say, that the two high contracting parties desisted mutually from all pretensions?

That Mexico might have more or less responsibility for the debt contracted by the Viceroys, no one doubts; but that this responsibility *ceased for ever*, from the signing of the treaty of Madrid, is a matter which cannot even be submitted to discussion.

Did that word which Her Catholic Majesty *gave for herself and in the name of her heirs*, to desist from all *pretension*, serve (generally speaking), for every one of the Ministers Plenipotentiaries of Spain to come, compel, and place Mexico in a position either to accept of a war or consent to what was repugnant to reason and common sense?

What has the Government done for ten years? Defend itself, and nothing more; because its good desire not to disturb relations with Spain—its extreme desire not to bring upon Mexico, besides its many calamities, that greater calamity of a foreign war—has prevented it from repelling, in a positive manner, pretensions which have not emanated even from doubt, (because the clear and perfect sense of the 7th. article of the treaty of Madrid does not admit of doubt), but from the machinations of certain secondary personages, who, having lived many years in the country, and amassed therein a brilliant fortune, have by way of recompense, envenomed, and still continue to envenom, the relations between two nations which, when they *could and might have disputed* on the question, were sufficiently noble and generous to terminate it in an honorable manner, as dignified and imperishable as the treaty of Madrid in 1836 should be.

This is a historical summary of the question with Spain; and all that can be said besides is nothing more than the barren and dry narration of similar events and notes addressed in the same sense and tone by H. C. M. Legation, and answered, more or less, with the same reasons by the Secretaries for Foreign Affairs of the Republic.

On the 17th of July 1847, the first Convention was celebrated between Sr. Bermudez de Castro and Sr. D. José Ramon Pacheco, in charge of the Department for Foreign Affairs. (Appendix, No. 3.) Whenever anything is written on the Spanish Convention, it is necessary to bear in mind that the Bermudez–Pacheco treaty is dated 17th July, and that on the 14th September following, the Capital of the Republic was occupied by the invading forces of the United States, not without resistance, but after many and well fought battles; in which, although fortune was not favorable to Mexico, the enemies lost a great number of men, and expended enormous sums

of money. The occasion, therefore, was not very appropiate to conclude this compact; because the Government, threatened in its very residence, could not have had either time or energy sufficient to defend itself against the moral attacks of the Spanish Ministry; neither could it dispose of resources of any description in order to effect an equitable and suitable adjustment; but be this as it may, we call attention to the fact that these moments of trouble, affliction, and misfortune for the Republic, were those selected to satisfy the exigencies of the Spanish Legation.

In 1848, Sr. D. Ramon Lozano Armenta, was in charge of the Legation, and the Sres. D. Mariano Otero, and D. Luis Gonzaga Cuevas, fulfilled successively the duties of the Department for Foreign Affairs, who delivered orders to set apart 2 per cent. from the Customs. (Document No. 4).

In 1849, Sr. Cuevas followed, and Sr. Licentiate D. José Maria Lacunza, who but fulfilled the duties of Minister for afterwards Foreign Affairs.

In 1850 and 1851, Sr. D. Juan Antoine y Zayas, the Sres. Lacunza, Yañez, and lastly, D. Fernando Ramirez, continued the question; and from the communications and conferences with the last named Minister, resulted the Convention of the 16th November of the same year, (Document No. 5), stipulating in favor of Mexico a secret article, which was rejected by Spain. (Document No. 6.)

The liquidation of some of the credits was commenced, and on Sr. Ramirez retiring from office, those belonging to Don Lorenzo Carrera were admitted by Don Miguel Arroyo. (Document No. 7.)

In 1853, the Sres. Alaman and Bonilla continued treating in respect to the same affair, with the Marquis de la Rivera. The result of these negotiations was the agreement of 1853, which was afterwards formed into a treaty. (Documents No. 8 & 9.)

Why such delay in concluding a question—probably of little importance in an arithmetical sense, because a sum of 6.000,000 dollars, more or less, is not of great moment to a nation?

The answer is very simple:—because all the Secretaries for Foreign Affairs entered into office, probably without the exact particulars of this matter, and evidently with the desire to conclude it in an amicable manner; their reason, their simple common sense, revolted on comparing the clear and precise text of the 7th. article of the treaty of Madrid, with the pretensions embodied in the notes of H. C. M. Ministers.

Therefore, the same as is related in few and plain words in the extract, was said by the Sres. Otero, Lacunza, Yañez, and Ramirez who belonged to the liberal party; and by the Sres. Cuevas, Alaman, and Bonilla, who were, according to the public voice, of the conservative party.

The question was sustained in the same manner by the Constitutional Government of Sr. Herrera, as by the dictatorial administration of General Santa Anna. Still more: whilst the Ministry of Santa Anna endeavored to form an alliance with Spain in order to procure troops, it defended with most brilliant reasons the nullity of everything that was done in relation to the credits in question, supported by the principal and indestructible argument, that the Legation of H. C. M. had no right to intervene nor to examine into a debt which, by the law of the 28th. June 1824, and by the treaty of Madrid, had been *declared its own and national.* We ourselves might err in our opinion, but could so many functionaries of acknowledged capacity and intelligence, and of so distinct opinions be mistaken? and above all Sr. Alaman to err!

We do not make extracts from any of the notes, because, as we have said, they contain nothing more than the radical idea which has been indicated, and because the Reports of Sr. Vivó, published in Madrid in 1856, and the "*Memorandum*" of Sr. Lafragua, printed in Paris in 1857, both in French and Spanish, minutely explain the whole; and many of the notes are complete, and most certainly well worthy of perusal and preservation, as for instance that addressed by Sr. Bonilla to the Marquis de la Rivera. It has been replied to all this, that Mexico has done nothing more than to make use of evasions and delays; that it has broken the faith which ought to exist between civilized nations; that, in a word, it has wearied itself in heaping outrages on Spain; and consequently, that squadrons and troops have been solicited for many years past to chastize this nation. Spain herself is very severe in her last discourse.

When matters are placed in a similar situation; when self-defence and the legal and permitted course of diplomacy are interpreted as grievances; when reasons are not considered, nor even listened to; when a clear, express, and determinate treaty, which leaves a question concluded *definitively*, (*para siempre*), and in which the royal word of monarchs is pledged, is worth nothing,—who is to help us; what are we to do; to whom are we to appeal; who will hearken to us, even if we were to appeal and raise our voices to the heavens,

in order to make known, at least, the rights which have sustained the resistance made by the Republic?

But we shoud be wanting in the truth, justice, and genuine impartiality, with which it is our desire to treat the questions that form the subject of this Report, were we to forget the names of Santos Alvarez, General Prim Count de Reus, and Calderon Collantes.

The indefatigable steps and suggestions of the parties interested; the almost daily articles of the ill-informed Press; the ever exaggerated information of what occurs amongst us; and, it is painful to say, the malevolence of certain Mexicans and Spaniards, either established in, or simply visiting Europe; the intrigues of every description in endeavoring to bring matters to such a point as to compel the shedding of blood, have not been sufficient to disturb the serenity of the Spanish Cabinet, nor to cause it to lose that mature reflection which is so necessary in such grave questions. The eloquent language of Count de Reus has been listened to in Parliament. Señor Santos Alvarez preferred sacrificing his office,—his social position,—everything,—rather than make war, on Mexico; and lastly, Sr. Calderon Collantes, volunteered to answer the gross calumnies of a functionary who came to Mexico to increase the many difficulties with which the Constitutional Government has had to struggle.

These solemn proofs of justice, given by men so distinguished, who have been able to inform themselves so perfectly of these vexatious and dilatory questions, are by no means insignificant.

Consequently, the last Convention having been formed into a solemn treaty, Mexico had to abandon the question relative to the 7th article; but then, and as though it were for the purpose of endeavouring to make this affair interminable and everlasting, another question was raised, which was the introduction of the claims. In all the agreements, in all the minutes, in all the protocols, we find this doctrine laid down: *The claims are to be Spanish.* Neither of the Secretaries of State of the Republic varied this basis, nor was it ever opposed by the Plenipotentiaries of H. C. M.; therefore, it was eventually adopted as an express article of the last treaty, which says:

"Article 13. The Spanish claims comprised in this agreement, "are only those *of Spanish origin and property;* but not those which, "although of *Spanish origin*, have become the *property of citizens of* "*any other Nation.*"

It is true that the commission for adjustments considered some of the claims as arranged and in conformity with the 13th article; it is

true that D. Miguel Arroyo, chief clerk of the Department for Foreign Affairs, also considered the discussions to be terminated which had arisen by reason of certain claims; but neither from an error nor omission of the Adjustment Committee, nor from the very terms in which the note of Sr. Arroyo is expressed, (and we call attention to the words printed in Italics, in the note which will be found in the Appendix), can it be inferred that credits belonging *to citizens of any other nation* may be introduced into a Spanish Convention. (See Appendix, No. 10.)

Ought the stipulation contained in the 13th article to be respected or not? That is the question.

If it be admitted that the 13th article, should be respected, the qualification of the Adjustment Committee, the note of Arroyo, and whatever else may be desired, can be of no value if they be not *correct, regulated, nor in conformity* with the said article, which, for Mexico, forms the most essential part of the treaty; inasmuch as it specifies nothing less than which are the particular credits that should be included in the liquidation, and the requisites they ought to possess. This is nothing but a question of fact, which may be resolved on presenting the documents before the Regal Commissioners.

If the 13th article is to be of no value, then it would be better to strike it out, as in fact it may be said that, as regards Mexico, the 7th article of the treaty of Madrid *was struck out;* and, in this case, it would be more advantageous to the Republic not to make any compact at all, than to submit the clearest, most determinate, and most precise clauses to the caprice and unjust interpretation of the Legations.

As the question of the credits is made perfectly clear in a Report given by Sr. D. Higinio Nuñez, who was the chief of the account department of the General Treasury, we shall avoid reproducing the reasons and specifying the cases by accompanying a copy of the said Report, marked A, recommending its perusal to those persons who may have an interest in informing themselves of the particulars of this notorious affair.

That Report has been very much debated by the parties interested in the Spanish Convention, but they have not entered into the essential question.

Were the credits of which Sr. Nuñez speaks, Spanish, and ought they to be included in the Convention, in conformity with the 13th

article? Do all or any of these claims need the precise requisites mentioned in the 13th. article?

As the note which accompanies the Report of Sr. Nuñez is very long, (document, letter B), we have not been able to examine it, because it would have been necessary to peruse voluminous documents and writings, which operation alone would require a couple of months; we cannot, therefore, make an analysis of the credits, which, on the other hand, we do not consider necessary at present, for the different aspect the question has taken, which is now placed in another position.

Is the Constitutional Government to recognize the Mon-Almonte treaty letter for letter, or,—admitting the full powers of the Count de Reus, and the absolute decision of the Mexican Government not to reject anything that may be just,—is another treaty to be made?

If another treaty be effected: Must all the operations already made respecting the claims be considered as good and valid, although they may be contrary to the express tenor of the 13th. article of the treaty of 1853, or are they to be submitted to a new revisal?

According to the sense in which these questions may be resolved, there will or will not be any necessity to re-examine voluminous documents, and a large number of ancient writings.

The payment of the Convention suffered all the interruptions consequent on the delays experienced by the diplomatic negotiation; but, ultimately, it was put into execution, and a certain percentage was commenced to be set aside in the Customs, and the agent named by the Credit-holders to receive the Bills.

The document letter C, demonstrates the Conversion of the 3 per cent. consolidated bonds.

That marked D, is the dividend account, and E, is the account of the agents.

Latterly, and during the residence of Sr. Pacheco in Mexico, there has been no incident beyond the appointment of Don Miguel Buch as agent, (Document No. 11), and he did not commence to act, because, as Sr. Pacheco did not re-enter into timely diplomatic relations with the Constitutional Government, he had to arrange his departure from the Republic, and the only diplomatic document that remains is the Mon-Almonte treaty, which we insert in the Appendix as the last of the documents that, up to the present time, form the official and historical sequel to this question.

A.

REPORT ON THE SPANISH CONVENTION.

Your Excellency.—The short space of time that your Excellency has deigned to name for me to report fully on the antecedents of the Spanish Convention fund and the frauds committed therein, will not permit me to do so in so scrupulous a manner as this subject requires; but to commence from the data which exist in this office, from documents that have been provided me elsewhere, and from futher information acquired before hand, I proceed to fulfil the delicate, as well as honorable, commission which your Excellency has condescended to intrust me with.

All the agreements which this Republic has celebrated for the payment of the Spanish credits have rested only on the 7th. article of the treaty of 1837; notwithstanding, Mexico did not recognize the Spanish debt in consequence of that article, inasmuch as it was free and spontaneously recognized long before by the law of the 28th. of June 1824. By the said article, Mexico discharged Spain from the debt therein mentioned, and admitted it as its own and as a national debt; therefore, Spain had no right to intervene in its payment, no more than it had to do to with the rest of the debt of our nation which was in the same state, and which must be subject to the regulations that were dictated for the same: thus it is that both governments *mutually desisted from all claim and pretension*, by declaring themselves, in the said article, *free and quit from thence and for-ever;* whereon, undoubtedly, the resistance was founded which Mexico constantly manifested not to enter into any agreement on the matter, notwithstanding the repeated efforts of the representatives of Spain, amongst whom Sr. Bermudez de Castro distinguished himself during his term of office, and from whom this question originated and commenced. This gentleman, with a zeal, without doubt, worthy of respect, availing himself of the moments in which this nation was involved in a disastrous foreign war, bequeathed to both Governments by the Convention of the 17th. of July 1847, a direful gift, in which he neither gave to his country the

advantages that were proposed, nor observed towards this the due considerations which the circumstances demanded.

That agreement could very well be signed in conformity the fundamental laws of the Republic; but, as much by them as by another special law of the 20th. of April 1847, it could have no force until it was approved of by the General Congress. The Mexican Government wished to present, and would have presented the said agreement to the Senate, where it would certainly have been rejected; but as it was intimated that this stept would irritate the Spanish Government and wound it acutely, the Mexican Government prescinded therefrom, appreciating at the same time the personal and conciliatory persuasions of the representative of Spain in that epoch; and it also reformed, in part, that which was a motive of dispute, and discarding all discussions on the subject, as foreign to the spirit of cordiality that prevailed, certain measures were adopted by the Government in January 1849, which, without affecting the rights of Mexico, accredited her good will towards Spain. This arrangement was entered into between Don Luis G. Cuevas, and Don Ramon Lozano, which commenced being carried into execution on the part of Mexico, certain amounts having been received (consequent thereon) in the Treasury, on account of the fund assigned to the Convention.

This being suspended, from causes which are not necessary to be mentioned here, by Don Francisco Arrangoiz, then Minister of Finance, and as it was impossible to arrange the difficulties that arose, a second Convention was formed on the 14th. of November 1851, between the representative of Spain and Don Fernando Ramirez; wherein was conceded more than ever was granted before, because Mexico, besides taking upon herself the debt referred to in the 7th. article of the treaty, agreed also to its change of nationality. Not satisfied with this, the representative of Spain, although a signing party to that instrument, presented and wished to sustain and introduce credits which the Government considered to be in direct contradiction to the 12th. article of the said agreement, [see the protocol, No. 7, signed by Messrs. Zayas and Ramirez). In this manner it deviated from its very bases, and from the course of the principles, until then sustained, it degeneralid into a personel question thereby conproming the relations betwen both countries, and their legitimate interets for those of certain private individuals.

The deep impression caused, by this procedure, in the opinion of the public, in the Chambers, and even in the Government, resulted in the suspension of the agreement and of the liquidations that were made in virtue thereof. Sr. Zayas being replaced by the Marquis de la Rivera, the latter decided on sustaining the question on the same terms as his predecessor, which gave rise to grave disagreements that produced the suspension of diplomatic relations between the two governments. Notwithistanding, new negotiations were opened, in which were accorded the bases that resulted in the 3rd. Convention, which is the treaty dated in force, the 12th. of November 1853. During the course of the negotiations, the Marquis de la Rivera inflexibly refused to the revision of the credits that had been included in the Convention of 1856, by resolutely sustaining and asserting that they were legitimate and in conformity with the said Convention. To

exclude all examination by reason of such a declaration, is tant amount to saying that the credits were in conformity with the 13th. article of the aforesaid agreement and that undoubtedly the Government, confiding therein, would abstain from the revision it had asked for: but it had the foresight to adopt that declaration, taking it as a basis for the 9th. article of the treaty of October 1853, and including it therein as a legal requisite of the acknowledgment and subsistency of the credits referred to, and which have subsequently appeared without those conditions.

Such form are a compendium of the history, proceedings, and most notable circumstances connected with the negotiations and agreements celebrated for the payment of the Spanish debt; and, in evidence of what has just been explained, it will be convenient to have at hand a communication published by D. Fernando Ramirez in the news paper called, *Siglo XIX*, of the 27th. of October 1852, in which, taking on himself the *clamour that was raised against the admission of the credits of D. Lorenzo Carrera in the Spanish Convention*, he declares that he neither recognized the credits alluded to, and much less that he ordered their payment. In proof thereof, Sr. Ramirez published that part of the protocol num. 7, the original of which exists deposited in the Department of Foreign Affairs. The principal reasons that this gentleman adduces for not having admitted the credits introduced by Carrera, are the following: First, that the transfer is originally made to D. Antonio Garay, of Mexican origin. Second, that amongst the persons in whose favor the transfers have been made (*cesionarios*) there are many who are not only Mexicans, but Foreigners of different nations, and even civil and ecclesiastical corporations of the Republic. Third, *that as many unknown endorsers appear in some of those documents*, there would be required in all of this class, (supposing that the first objection could be overcome), *the proofs of nationality, which is also wanting in another of the preceding claims*, as much as regards the primitive creditors, as their "*cesionarios*."

Various and numerous other credits are found in the same case, that labour under similar faults, and have been introduced in open violation of the treaty.

Lastly, and in order to fix the attention at once on the credits that are among those to be revised, it will be found useful to bear in mind the 4th. article of the agreement dated the 23rd. of April 1847, signed by the Señores Baranda, and Bermudez de Castro, which says:

"Those who in consequence of this agreement may obtain letters as Spanish "Citizens, cannot avail themselves of the support and intervention of H. C. M. "Legation, in those affairs which originated during the time they enjoyed the "right of Mexican Citizens." And this agreement being that which has served as a basis for the subsequent ones, and Mexico having constantly studied not to extend her compromises further, all the posterior Conventions have been unable to depart from the fixed rules of the said article.

To resume: 1st. The Spanish Convention owes its origin, in that which part comprises the credits previous to the Independence, not to a principle of justice, but to the mere condescension of our governments, from which, in truth, we cannot

now recede, in consequence of the solemnity of the compromises; but now
by these, and for the honor and dignity of the country, it is obliged to pay w
ever may be just and reasonable it ought not to remain compromised, by
principle of justice or morality, to satisfy an enormous burden which has b
illegally imposed upon it.

2nd. A considerable portion of the credits have not been admitted; they
defective in origin and in right of property, and this portion may ascend to n
than one half of the sum recognized.

3rd. Many of the creditors who figure in the Convention acquired their
tionality in the very days, and even after the Conventions were celebrated.

4th. Admitting the foregoing considerations, it cannot be said in justice
the Mexican Government has infringed the treaty of 1853, by suspending
payment of the fund, but that it has been compelled to dictate a neccesary m
sure to avoid paying therefrom any other credits than those which really ou
to be comprised in the Convention of the 12th. of November 1853, on the
of the representatives of Spain.

God an Liberty. Mexico, 24th October 1855.—*J. H. Nuñez.*

Your Excellency.—After fulfilling the commission with which I was hon
by His Excellency the General in Chief of the forces of the District, Don Ró
lo Diaz de la Vega, to revise all the credits that have been comprehended in
Spanish Convention, and which trust the Supreme Government digned to
firm, I have proceeded to verify the indicated revision.

It being by its own nature very delicate and laborious, I have not been abl
conclude it so quickly as I would have wished, in spite of what had already
prepared of this difficult operation by the untiring activity with which your
cellency dedicated yourself to its examination, from the time you were appoi
Counsellor by His Excellency Señor Vega, and of the information, data, and
cuments that have been provided me, and which have served as a basis to
operations; but desiring that the Supreme Government may be aware of the
vance of my work, I accompany to your Excellency a statement of the cre
which, in my opinion, have been unjustly included in the fund of the Spa
Convention, and I now manifest to your Excellency the reasons on whi
rest.

The 4th. article of the agreement dated the 23rd. of April 1847, signed by
Señores Manuel Baranda, and Don Salvador Bermudez de Castro, says: —"T
" who in consequence of this agreement may obtain letters as Spanish citi
" cannot avail themselves of the support and intervention of H. C. M. Lega
" in those affairs which originated during the time they enjoyed the right
" Mexican Citizens."

This article alone is sufficient to decide that the credits of Sres. Carrera,
gollo, and other individuals mentioned in the accompanying statement, ought
to be included in the Convention, as the two first are Spaniards from the

1847; that is to say, they received that nationality in the same year in which the agreement was made with Señor Bermudez de Castro, and there are persons, as for instance D. Benito Maqua and Don José María Bassoco, who, according to the information I have acquired, received it in the year 1852; and I can assure Your Excellency that many parties comprehended in the Convention were not Spanish Citizens before the year 1846, and that some of them were not only Mexicans, but have been engaged in employs and commissions of the Republic.

In order that the injustice and partiality which have been observed respecting the interets of Mexico may be immediately understood, I call Your Excellency's attention to the sum of one million, sixty-six thousand, and eighty one dollars, four rials, and three-fourths of a grain which appears in favor of señor Carrera. By the statement Your Excellency will deign to observe that this amount proceeds from interest on capitals that sundry individuals and Mexican corporations possessed on the turnpikes, and *averia* which credits, by an arrangement entered into between the creditors and Don Antonio Garay, were ceded to him, who afterwards transferred them to Don Lorenzo Carrera.

I do not find any reason why these credits have been admitted in the Convention. Article 12, of that celebrated on the 14th. of November 1851, expressely provides: that no credits but those of Spanish origin and property shall be admitted in the fund that may be raised for the same; and the 13th. article of the treaty of the 12th. November 1853, conclusively ratifies this quality as indispensable in the credits, in order that they may be received as Spanish. Well then, the origin of the credits I now refer to, is not Spanish, inasmuch as the individuals and corporations who ceded to Sr. Garay, were Mexicans.

Neither are these credits Spanish property, because the corporations mentioned are not Spanish, nor is Sr. Garay, to whom they were ceded by an agreement; nor was Sr. Carrera, Spanish, either before, or at the time of the adquisition; and although he might afterwards have acquired Spanish nationality, in virtue of the agreement made between the Sres. Baranda, and Bermudez de Castro, he was prohibited from claiming, in the character of a Spaniard, rights acquired previously, as has been observed in the article before transcribed; therefore, the result is, that the credits of Sr. Carrera, amounting to one million, five hundred and sixty seven thousand, eight hundred and sixty dollars, three rials, and six grains, not being of Spanish origin or property, have only been admitted in the Spanish fund by an express violation of the several Conventions.

The rest of the credits which appear in the accompanying statement are found to be in the same state; and it should be added, that according to the informations I have taken, there are some creditors who are not, nor have been spanish citizens.

It is well known that the credits anterior to the Independence have been sold in the Market from 5 to 10 per cent, and there is a document amongst those that belong to Sr. Carrera which mentions it; and some have been endorsed with a posterior date to the Convention of 1851; therefore, when, by a lamentable carelessness, it was not stated that these credits (which form almost entirely the Spanish debt) should not be included for payment at their nominal value when

they brought acquired on an average 8 per cent, and as care was not taken to avoid the fraud which such an exorbitant gain would give rise to, it is but just, when, as in the present case, legal means be met with, that the nation should be freed from the horrible sacrifice imposed upon it.

It cannot be said that the evil has been remedied, allowing that an abatement of 30 per cent. has been exacted from the Spanish credits at the time of the redemption: this is a very trifling indemnity of the burden imposed upon the National exchequer, if it be considered that whilst the redemption is being accomplished, the reduction of 30 per cent. bears interest.

Respecting the detriment that the Spanish treaty of 1853 has caused to the Republic, it must be observed, that it was ordered thereby to issue bonds which are only worth 70 per cent. of their representative value, and that, notwithstanding, they bear interest for the full amount: and as the Supreme Government must respect these solemn compacts, it can only limit itself to prevent the infringement of these said agreements and to separate the credits which, in notorious violation of the same, have been admitted: this, fortunately, will repair the injury to a great extent, and it may be obtained with greater facility, inasmuch as it is to be hoped that a nation, like Spain, which has always prided herself on being magnanimous and essentially moral, will not persevere in sustaining a fraud of such enormity, however much she may be invoked by concessions extorted from condescension or inadvertency.

I consider, your Excellency, that the foregoing will suffice for the Supreme Government to order an immediate suspension of the payment of interest and redemption of the credits comprised in the accompanying statement, wherein it will undoubtedly act with justice.

I should like to be more extensive in this Report, and produce still further reasons that operate more in favor of the measure above submitted for consideration, but am prevented by the multifarious affairs which occupy me. What is herein stated I consider to be sufficient, and am disposed to give any explanations that may be deemed necessary whenever your Excellency requires them, as well as to enlarge this Report if, in the continuance of my duties, it should be thought needful.

I renew to your Excellency the assurances of my consideration and particular esteem.

God and Liberty. Mexico, November 10th. 1855.—*José H. Nuñez.*

To His Excellency the Minister of Finance, D. Guillermo Prieto.

B.

Statement of the Credits which, in the opinion of the undersigned, have been comprised in the Spanish Convention fund, in violation of the Treaty celebrated for the arrangement of the credits of Spanish Subjects, for the reasons they express.

Credits from which the representation of Don Lorenzo Carrera proceeds.

	Amount of capital and interest.
A document dated August 6th. 1804, in favor of Lieut. Colonel Don Pedro Verazueta, endorsed to Don Manuel Gargollo, and by him to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera..... $	35,250 0 0
A document dated February 24th. 1842, in favor of Don Miguel Cotarro, endorsed to the heirs of Cotarro, appears in the Convention in favor of Don Lorenzo Carrera.....	30,047 1 3
A document dated January 16th 1849, in favor of Don Vicente Pozo, endorsed to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	8,179 7 0
A document dated March 13th. 1849, in favor of Don Vicente Ortiz, endorsed to the Bishop Campo, and General Don Manuel Gual, as heirs of Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	14,255 2 0
A document dated April 8th. 1850, in favor of D. Francisco Antonio de la Torre, Don Mariano Merodio and Don Juan B. Jecker, by power of the heirs of Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	38,059 6 11
A document dated October 28th. 1846, in favor of the estate of Doña Martina Sesé, endorsed to Don Emilio Voss, to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	60,083 0 1
Forward..... $	185,875 1 3

	Amount of capital and interest
Forward.....$	185,875 1 3
A document dated March 24th. 1849, in favor of Don José Cano y Sambrano, endorsed to Don Juan N. Gonzalez del Campillo, attorney of Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	14,405 7 0
A document dated August 14th. 1848, in favor of Don Francisco Fagoaga, Don Benigno Bustamante, Don Cárlos A. Uhde, D. José María Fernandez Barberi, Don Manuel Diez de las Cortinas, Licentiate Don Dionisio Fernandez Barberi, Doña María Soledad Almansa, &c., endorsed to Don Antonio Garay, appears in the Convention in favor Don Lorenzo Carrera.....	1.066,081 4 3½
A document dated June 3rd. 1844, in favor of the convent of Santo Domingo, endorsed to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	47,800 6 3
A document dated July 26th 1844, in favor of Don Gregorio Rodriguez de Cosgaya, endorsed to Don José Fernandez de Celis, executor, to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	116,251 0 8
A document dated August 14th. 1844, in favor of Sra. Castañiza, endorsed to General Don Juan P. Anaya, a part of the documents of Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	86,181 7 0
A document dated February 20th. 1845, in favor of the brotherhood of the Dulce Nombre de Jesus, of the convent of San Agustin, endorsed to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	17,287 0 3
A document dated April 4th. 1846, in favor of Don Manuel Bernal y Acevedo, ceded by Don Donato Manterola to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	15,736 0 5
A document dated April 16th. 1846, in favor of the hospital of San Rafael de Santander, ceded by Don Manuel Martinez del Campo to Don Antonio Garay, appears in the Convention in favor of Don Lorenzo Carrera.....	10,804 3 1
A document dated January 13th. 1850, in favor of Don Lúcas Llain, ceded by Don Juan B. Jecker to Don Antonio Garay, appears in the Convention in favor Don Lorenzo Carrera...	7,436 5 5½
$	1.567,860 3 8

These credits ought not to be included in the Convention, because Sr. Garay is a Mexican, and the Sres. Gargollo and Carrera are Spanish Citizens from the year 1847.

Representation of Don Miguel Gargollo, according to the data that have been collected.

	Amount of capital and interest.
A triplicate certificate from Saltillo, dated September 16th. 1814, in favor of Don Marcos Gomez de de la Puente, endorsed to Don Miguel Gargollo on the 17th. August 1826, appears in the Convention in his favor.....	48.926 0 1
A document dated February 2nd. 1806, in favor of Don Miguel Zires, endorsed to Don Manuel Gargollo on the 5th. Septem- 1857, appears in the Convention in his favor.....	21,058 2 8
A document, dated February 19th. 1843, in favor of Sra. Castañiza, endorsed to Don Lorenzo Carrera, then to Don Manuel Peralta, and lastly, on the 25th. February 1834 appears in the Convention in favor Don Miguel Gargollo.....	6,000 0 0
A document dated September 9th. 1805, in favor Don Pedro Berasueta, endorsed by Lic. Berasueta, his son, to Don Manuel Gargollo, in whose favor it appears in the Convention..	2,678 4 5
A document dated April 2nd. 1836, in favor of Don Miguel Zires, endorsed to Don Manuel Gargollo, appears in the Convention in his favor.....	10,529 1 5
A document dated January 2nd. 1809, in favor of Sra. Castañiza, endorsed to Don Lorenzo Carrera, appears in the Convention in favor of Don Manuel Gargollo.....	6,000 0 0
A document dated January 2nd. 1805, in favor of Sra. Castañiza. endorsed to Don Lorenzo Carrera, appears in the Convention in favor of Don Manuel Gargollo	1,000 0 0
Interest on these last documents.....	32,298 0 11
Forced Loan of 1836, appears in the Convention in favor of Don Manuel Gargollo.....	1,000 0 0
Forced Loan of 1843, appears in the Convention in favor of Don Manuel Gargollo, for himself and wife.....	93 4 5
Value of horses, appears in the Convention in favor of Don Manuel Gargollo.....	780 0 0
	$ 136,358 5 11

These credits ought not to enter into the Convention, because Sr. Gargollo is Spanish from the year 1847.

Representation of Sr. Don José María Basoco.

	Amount of capital and interest.
A document dated May 19th. 1798, in favor of Count Basoco, appears in the Convention in favor of Don Manuel Gargollo.	117,964 6 0
A document dated February 17th 1816, in favor of Count Basoco, ceded to the Count de Agreda, then to Don Miguel Zires, who transferred it to Don Lorenzo Carrera, and by him on the 11th. April 1837, to Don José María Basoco.....	9,811 5 5
Three documents dated May 19th. 1798, in favor of which capitals and interest united to those of the first, amount to.....	66,541 6 4
Forced Loan in 1829, 1837, and 1843, appears in the Convention in favor in D. José M. Basoco.....	691 1 0
A document dated January 2nd. 1809, in favor of Count de Basoco, endorsed to D. Lorenzo Carrera, appears in the Convention in favor of Don José María Basoco.....	9,936 4 11
A document dated February 7th. 1816, in favor of Count de Basoco, appears in the Convention in favor of Don José María Basoco.....	46,793 4 11
	$. 251,739 4 7

These credits ought not to enter into the Convention, because Sr. Basoco is a Spanish Citizen from the year 1852.

Representation of the Count de la Cortina by Ignacio Berra.

A document dated November 14th. 1800, in favor of the commission of bankruptcy (*concurso*) of D. Antonio Barroso Torrabia, endorsed to the widow of the creditor of the *concurso*, D. Juan Tomas Solamber, then to Dr. Couto, and by his executor to D. Ignacio Berra, in whose favor it appears in the consummation.....	15,050 7 8

This credit ought not to enter into the Convention, because Dr. Couto and Sr. Berra are Mexican Citizens.

Representation of the Señoras Doña Dolores Bulnes de Segura, and Doña Jesus Segura de Bulnes, represented by D. Ignacio Berra.

A document dated September 3rd. 1812, in favor of D. Antonio Olarte, endorsed to Don Manuel Segura.....	$ 5,487 0 11

This credit ought not to enter into the Convention, because the Señoras Seguras & Sr. Berra are Mexicans.

Representation of Don Antonio Algara.

	Amount of capital and interest.
Forced Loan of 1836, 1842, and 1843.....	1,450 0 0
Forced Loan in favor of D. Pedro Hita, endorsed to D. Antonio Algara, appears in his favor in the Convention.....	1,176 8 0
	$ 2,626 8 0

These credits ought not to enter into the Convention, because Sr. Algara is a Spanish Subject from the year 1847.

Representation of Don Juan Antonio Béistegui.

Certificates of the General and Departamental Treasury of Mexico, from 1837 to 1846.....	$ 4,100 0 0

This credit ought not to enter into the Convention, because Sr. Béistegui is a Spanish Subject from the year 1847.

Representation of Don Francisco Almirante.

A document dated April 17th. 1804, in favor of Don José Rodriguez	9,684 7 4
A document dated February 6th. 1816, in favor of D. Francisco Almirante, appears in the Convention in favor of said Almirante.....	1,745 4 2
A document dated February 6th. 1816, in favor of Don José García Jurado, endorsed to Don Francisco Almirante, appears in the Convention in his favor.....	1,745 4 2
A document dated February 6th. 1816, in favor of the Count de Regla, endorsed to D. Dionisio Cicero de Lombraño, then to D. Antonio Medina, endorsed afterwards by D. Juan Medina to his brother, and by him to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	3,491 0 4
A document dated February 6th. 1816, in favor of the Countess de Rul endorsed to Don Luis García, by her to D. Agustin de la Peña y Santiago, by him to Don Antonio Medina, afterwards to the daughter of Medina, who endorsed it to Don Manuel Diez de las Cortinas, appears in the Convention in favor of Don Francisco Almirante.....	1,745 4 2
Forward.....	$ 18,362 4 2

	Amount of capital and interest.
Forward..... $	18,362 4 2
A document dated 6th. February 1816, in favor of D. Francisco Antonio de Echávarri, endorsed to Don Manuel Diez de las Cortinas, appears in the Convention in favor of Don Francisco Almirante.....	872 6 1
A document dated February 6th. 1816, in favor of D. José Merodio, endorsed to Don Genaro Noriega, and by him to Don Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	174 4 5
A document dated February 6th. 1816, in favor of D. Manuel Diez de las Cortinas, endorsed to the same, appears in the Convention in favor of D. Francisco Almirante.....	349 0 10
A document dated February 6th. 1816, in favor of D. Genaro Noriega. endorsed to D. Manuel Diez de las Cortinas, appears in the Convention in favor of Don Francisco Almirante.....	174 4 5
A document dated February 1816, in favor of D. Francisco Antonio Echávarri, endosed to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	465 3 9
A document dated February 6th. 1816, in favor of D. José Miguel Flores, endorsed to D. Marcelino Giron, by him to D. Antonio Calliz, and afterwards to D Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almonte.....	698 1 8
A document dated February 6th. 1816, in favor of D. José Merodes, endorsed to D. Genaro Noriega, and by him to D. Manuel de las Cortinas, appear in the Convention in favor of D. Francisco Almirante.....	174 4 5
A document dated February 6th. 1816, in favor of D. Jacinto Sanchez Aparicio, endorsed to D. Basilio Arrillaga, by him to D. Marcelido Giron, afterwards to D. Antonio Medina, and by him to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	232 5 10
A document dated August 26th. 1813, in favor of Messrs Echave and Icaza, endorsed to D. Manuel de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	13,574 2 5
A document dated August 26th. 1813, in favor of Doña Bárbara Calderon, endorsed to D. Juan Bautisto Lobo, by him to D. Julian del Llano, afterwards to D. Luis Escobar, and then to D. Juan Antonio Cobian, appears in the Convention in favor of D. Francisco Almirante.....	27,147 7 7
Forward..... $	62,226 5 7

	Amount of capital and interest.
Forward.....	$ 62,226 5 7
A document dated August 26th. 1812, in favor of D. José Ruiz de la Bárcena, endorsed to Don Manuel Diez de las Cortinas, by him to D. Manuel Gonzalez del Cid. afterwards to Doña Catalina Molina, and then to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	21,955 0 6
A document dated August 26th. 1813, in favor of D. Nicolas de Victorica, endorsed to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante..	542 7 7
A document dated August 26th. 1813, in favor of the Convent of Santo Domingo, endorsed to D. José de la Sierra, by him to D. Antonio Pastor de Piñaga and by him to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	5,471 1 10
A document dated August 26th. 1813, in favor of D. Manuel Diez de las Cortinas, endorsed to the same, appears in the Convention in favor of D. Francisco Almirante.....	1,357 3 2
A document dated October 30th. 1812, in favor of D. Antonio Rodriguez Diaz, endorsed to Doña Catalina Medina, from her it passed to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	5,419 4 9
A document dated May 18th. 1801, in favor of Dr. D. Manuel Garro, endorsed to Doña María Ignacia Padilla, by her to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante.....	15,764 1 4
A document dated December 24th 1804, in favor of Messrs. Echave and Icaza, endorsed to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante. .....$	12,575 2 8
A document dated may 2nd 1809, in favor of Doña Guadalupe and Doña Maria de los Angeles Castillo Soto y Posada, appears in the Convention in favor of D. Francisco Almirante	10,758 1 6
A document dated May 29th. 1809, in favor of Doña Guadalupe Araballes, endorsed to D. Manuel Garcia, by her to Doña Catalina Molina, who endorsed it to D. Manuel Diez de las Cortinas, appears in the Convention in favor of D. Francisco Almirante	3,520 0 0
A document dated July 1st, 1808, in favor of Doña Maria de los Angeles Castillo, appears in the Convention in favor of D. Francisco Almirante.....	10,697 6 6
Forward.....$	187,162 8 9

	Amount of capital and interest.
Forward.... ....$	137,162 3 9
A document dated November 18th. 1808, in favor of Doña Maria de los Angeles Castillo, (no endorsement), appears in the Convention in favor of D. Francisco Almirante.....	21,395 4 11
A document dated February 14th. 1807, in favor of D. Mariano Diaz, ceded to Doña Guadalupe del Castillo, appears in the Convention in favor of D. Francisco Almirante.....	10,697 6 4
A Bill of Lading of a *Conducta*, dated October 14th. 1822, in favor of Messrs. Murillo and Lara, endorsed to D. Ignacio Ampaneda, appears in the Convention in favor of D. Francisco Almirante.....	8,950 0 0
An official order from the General Treasury to the Commissariat of Veracruz, dated March 3th. 1829, in favor of D. Antonio Alonzo Teran, appears in the Convention in favor of D. Francisco Almirante	335 5 9
A certificate from the administration of Jalapa, dated July 21th. 1831, in favor of D. Francisco Fernandez Agudo, appears in the Convention in favor of Francisco Almirante....	2,052 4 1
A certificate from the Mint of Mexico, dated October 1th. 1836, in favor of D. Francisco Almirante, and appears in his favor in the Convention	1,539 6 11
By balance of $ 85,392 54 cts., which was taken by the Commissaries of Sonora and Sinaloa from the capital managed by D. Domingo Lama, a Spaniard, (1831), in favor of D. Francisco Almirante, and appears in his favor in the Convention.	12,897 7 8
$	208,157 7 1

These credits ought not to enter into the Convention, because Sr. Almirante is a Spanish subject from the year 1846, and moreover, as is seen, the primitive owners and some of the endorsers are or were Mexicans.

Representation of D. Benito Maqua.

A certificate from the Commissariat of Mexico, for the value of the waggons lost in the action of Cerro-Gordo, in favor of D. Pedro Genton.....	9,378 0 0
A certificate from the Treasury of Jalapa, dated June 26th. 1846. in favor of D. Juan Estrada, endorsed to D. Pedro Genton. appears in the Convention in favor of D. Benito Maqua.....	47 3 2
$	9,425 3 2

These credits ought not to enter into the Convention, because Sr. Maqua is a Spanish subject from the year 1852.

***Representation** of Don Narciso Francisco de Martin, by Don Pedro del Paso y Troncoso.*

	Amount of capital and interest.
A certificate from the Treasury of Vera Cruz, dated October 27th. 1820, in favor Don Manuel Gomez.....	158,194 4 2

This credit ought not to enter into the Convention as it is not Spanish.

***Representation** of Don Manuel Mejia, by Don Antonio Pastor.*

A certificate from Oajaca, dated December 21st. 1836, in favor of Don Antonio Pastor.....	147 6 8
Five certificates from Oajaca, dated 1835, 1836, and 1837, in favor of Don José Salinas.....	6,585 4 9
Six receipts from Oajaca, for Forced Loan in 1843, and 1844, in favor of Doña Bartola Guisado.....	101 2 8
A certificate from Oajaca, dated September 19th. 1829.....	94 4 3
	$ 6,879 2 4

These credits ought to enter into the Convention as they are not Spanish.

***Representation** of Don Manuel Fernandez Puertas, by Messrs. Muriel Brothers.*

A certificate from Orizava, dated December 3rd. 1813, in favor Don Ignacio Aranda, endorsed to Don Miguel Prieto, by him to Don Manuel de la Hoz, and by him to Don José Anieva-yLlata, appears in the Convention in favor of Messrs. Muriel Brothers.....	6,699 7 11
A certificate from Orizava, dated January 19th. 1814, in favor of Don Mariano Salas, endorsed to Don Miguel Prieto, from whom it passed to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel Brothers.....	500 0 0
A certificate from Orizava, dated January 19th. 1814, in favor of Don Mariano Salas, endorsed to Don Miguel Prieto, from whom it passed to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel Brothers.....	500 0 0
Forward.....$	7,699 7 11

	Amount of capital and interest.
Forward.....$	7,699 7 11
A certificate from Orizava, dated January 19th. 1814, in favor of Don Mariano Salas, endorsed to Don Miguel Prieto, from whom it passed to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel Brothers.....	500 0 0
Interest on the three last certificats....	2,510 2 7
A certificate from Orizava, dated January 19th. in favor of Don Juan Galindo, endorsed to Don Miguel Prieto, afterwards to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brothers.....	334 1 6
A certificate from Orizava, dated January 25th. 1814, in favor of Don Joaquin Moreno, endorsed to Don Miguel Prieto, and afterwards to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brothers.....	125 0 0
A certificate from Orizava, dated January 25th. 1814, in favor of Don Joaquin Moreno, and endorsed to Don Miguel Prieto, and afterwards to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brothers.....	125 0 0
A certificate from Orizava, dated January 25th. 1814, in favor of Don Joaquin Moreno, endorsed to Don Miguel Prieto, and afterwards to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brothers.....	150 0 0
A certificate from Orizava, dated January 25th. 1814, in favor of Don Joaquin Moreno, endorsed to Don Miguel Prieto, and afterwards to Don Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brother.....	150 0 0
Interest on $550, the amount four last certificates...	919 7 11
A certificate from Orizaba, dated February 3rd, 1814 in favor of D. Joaquin Dueñas, endorsed to D. Miguel Prieto, and by him to D. Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel Brothers.....	250 0 0
A certificate from Orizava, dated February 3rd. 1814, in favor of D. Joaquin Dueñas, endorsed to the holders, and appears in the Convention in favor of Messrs. Muriel, Brothers.....	375 0 0
A certificate from Orizava, dated February 3rd. 1814, in favor of D. Joaquin Dueñas, endorsed to the holders, and appears in the Convention in favor of Messrs. Muriel, Brothers.....	375 0 0
A certificate from Orizava, dated February 3rd. 1814, in favor of D. Joaquin Dueñas, endorsed to the holders, and appears in the Convention in favor of Messrs. Muriel, Brothers	500 0 0
Forward.....$	14,014 8 11

	Amount of capital [and interest.		
Forward.....$	14,014	3	11
..cate from Orizava, dated February 3rd. 1814, in favor ..). Joaquin Dueñas, endorsed to the holders, appears in the ..nvention in favor of Messrs. Muriel, Brothers.....	500	0	0
..erest on $2,000, amount of the five last certificates.....	8,343	0	0
A certificate from Orizava, dated May 10th. 1814, in favor of D. Manuel de la Hoz, endorsed to D. José Anievas y Llata, and by him to Colonel D. Juan Antonio del Castillo, appears in the Convention in favor of Messrs. Muriel, Brothers.....	939	4	10
A certificate from Orizava, dated July 31st. 1812, in favor of D. José M. Mendizábal, and endorsed to D. Miguel Zires, by him to D. Manuel Balbontin, and by the latter to Messrs. Saturnino Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	824	1	0
A certificate from Orizava, dated April 26th. 1813, in favor of D. Marcos Antonio Vega, endorsed to D. I. Francisco Vega, by him to D. Manuel de la Hoz, appears in the Convention in favor of Messrs. Muriel, Brothers.....	2,225	2	0
A certificate from Orizava, dated September 6th. 1814, in favor of D. Marcos Antonio Vega, endorsed to D. Manuel de la Hoz, by him to D. José Gonzalez Cueto, and by the latter to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	214	4	8
A certificate from Orizava, dated September 24th. 1813, in favor of Doña Josefa Torices, endorsed to Friar Pablo Sanchez, by him to Miguel José Badillo, by him to Josefa Torices, by her to D Manuel de la Hoz, who endorsed to D. José Gonzalez Cueto, and by him to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	1,054	2	7
A certificate from Orizava, dated March 5th. 1814, in favor of D. Joaquin Rendon, endorsed to D. Pablo Lopez, and by him to Gonzalez Cueto, appears in the Convention in favor of Messrs. Muriel, Brothers.....	250	0	0
A certificate from Orizava, dated March 5th. 1814, in favor of D. Joaquin Rendon, endorsed to Pablo Lopez, and by him to Gonzalez Cueto, appears in the Convention in favor of Messrs. Muriel, Brothers.....	500	0	0
A certificate from Orizava, dated March 5th. 1814, in favor of D. Joaquin Rendon, endorsed to Pablo Sanchez, and by him to Gonzalez Cueto, appears in the Convention in favor of Messrs. Muriel, Brothers.....	500	0	0
Forward.....$	24,365	8	0

	Amount of capital and interest.
Forward..... ....$	24,865 3 0
Interest on $ 1,250, amount of the three last certificates.....	2,084 0 0
A certificate from Orizava, dated March 7th. 1814, in favor of Don Juan María Martinez, endorsed to Pablo Lopez and by him to Gonzalez Cueto, appears in the Convention in favor of Messrs. Muriel, Brothers.....	77 7 11
A certificate from Orizava, dated November 24th. 1820, in favor of Doña Gertrudis Segura, endorsed to Don José Gonzalez Cueto, and by him to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	500 0 0
A certificate from Orizava, dated November 24th. 1820, in favor of Doña Gertrudis Segura, endorsed to Don José Gonzalez Cueto, and by him to Calatañasor, appears in the Convention in favor of Messrs. Muriel Brothers.....	500 0 0
A certificate from Orizava, dated November 24th. 1820, in favor of Doña Gertrudis Segura, endorsed to José Gonzalez Cueto, and by him to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	500 0 0
Interest on $1,500, amount of the three last certificates.....	1,995 5 1
A certificate from Cordoba, dated June 5th. 1813, in favor of Baltasar Bedolla, endorsed to Manuel Velez, by him to Dr. Cueto, who endorsed to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	1,918 2 4
A certificate from Cordoba, dated March 4th. 1814, in favor of Don Manuel Aldama, endorsed to Don Manuel Zires, Ana Zolórzano, Cueto, and by the latter to Calatañasor, appears in the Convention in favor of Messrs. Muriel, Brothers.....	2,667 6 8
A certificate from Cordoba, dated 27th. September 1811, in favor of Don Joaquin Ruiz, endorsed to D. José Gonzalez Cueto, appears in the Convention in favor of Messrs. Muriel, Brothers.....	1,894 7 11
$	86,004 0 6

These credits ought not to enter into the Convention, because Messrs. Muriel, Brothers, are Spanish subjects from the year 1846, and because the greater part, if not all the primitive owners, are Mexicans, growers of tobacco in the Villas; and the endorsers are principally Mexicans.

Representation of D. Casimiro Collado.

	Amount of capital and interest.
A certificate dated May 20th. 1813, in favor of D. Francisco Vazques Figueroa.....	3,608 2 8
A document dated December 31st. 1810, in favor of Doña Josefa de los Morales, endorsed to D. José Rivero, appears in the Convention in favor of D. Casimiro Collado.....	520 6
A document dated April 29th. 1808, in favor of D. Antonio Colomma, endorsed to his heir Acevedo, who sold it to D. Casimiro Collado ; but he presents it in the name of D. Manuel Bernal Acevedo, in whose favor it appears in the Convention.	12,903 0 8
$	17,032 2 0

These credits do not appear in the Convention, as they do not belong to Spanish Subjects, and because the last document was sold to Sr. Collado on the 23rd. of December 1853, forty-two days after the treaty was celebrated on the 12th. of November of the same year.

Representation of D. Miguel Zornoza.

A certificate dated 1847, in favor of D. Tomás Santibañez, endorsed to D. Miguel Zornoza, and appears in the Convention in his favor.....$ 7,500 0 0

This credit ought not to enter into the Convention, because Sr. Santibañez was a Colonel in the Mexican army, and consequently was reputed a Mexican Citizen.

Representation of D. Manuel Cobo.

Five certificates of Loans for 1829, 1836, and 1843..... ... 987 7 9

This credit ought not to enter into the Convention, because Sr. Cobo is a Spanish subject from the year 1847.

Representation of D. Francisco Fuente Perez.

A certificate of a Forced Loan, dated April 26th. 1847..... 345 1 1

This credit ought not to enter into the Convention, because Sr. Fuente Perez is a Spanish Subject from the year 1847.

RECAPITULATION.

...zo Carrera	1.567,860	3	6
... Gargollo	136,358	5	11
...aria Basoco	251,739	3	8
...a Cortina, by D. Ignacio Berra	15,050	7	3
...cio Berra, for Doña Dolores Bulnes de Segura, and Doña Jesus Segura de Bulnes	5,487	0	11
...tonio Algara	2,626	3	0
...an Antonio Béistegui	4,100	0	0
...ancisco Almirante	208,157	7	1
...ento Maqua	9,425	3	2
...rcisco de Francisco Martin, by D. Pedro del Paso y Tron-...so	158,194	4	2
...nuel Mejia, by D. Antonio Pastor	6,879	2	4
...nuel Fernandez Puertas, by Messrs. Muriel, Brothers	36,004	0	6
...rmiro Collado	17,032	2	0
...riel Zornoza	7,500	0	0
...nuel Cobo	978	7	9
...ancisco Fuente Perez	545	1	1
	$ 2.427,94	4	40

...... November 10th. 1855.—*J. H. Nuñez.*

C.

CONVERSION of the Spanish Debt into Consolidated Bonds of 3 per cent., in conformity with the liquidation made on the 20th. of February 1861.

Liquidated capital of various, in which is included the documents referred to in the Report of D. Higinio Nuñez.....$ 6.633,423 11

Numbers and value of the Spanish Bonds issued to various, on different dates.

Nos.	**1 to 100**	**100**					
„	**3,886 to 3,900**	**15**	**115**	**Bonds at**	**$20,000**	**2.300,000**	**00**
„	**101 to 225**	**125**					
„	**3,901 to 3,910**	**10**	**135**	**d.°**	**10,000**	**1.350,000**	**00**
„	**226 to 325**	**100**					
„	**3,396 to 3,495**	**100**					
„	**3,911 to 3,921**	**11**	**211**	**d.°**	**5.000**	**1.055,000**	**00**
„	**326 to 625**	**300**					
„	**3,496 to 3,585**	**90**					
„	**3,786 to 3,806**	**21**					
„	**3,826 to 3,852**	**27**					
„	**3,922 to 3,936**	**15**	**453**	**d.°**	**2,500**	**1.132,500**	**00**
„	**626 to 995**		**370**	**d.°**	**1,000**	**370,000**	**00**
„	**996 to 1,495**		**500**	**d.°**	**500**	**250,000**	**00**
„	**1,496 to 1,895**		**400**	**d.°**	**200**	**80,000**	**00**
„	**1,896 to 2,395**	**500**					
„	**3,586 to 3,752**	**167**					
„	**3,754 to 3,777**	**24**					
„	**3,937 to 3,953**	**17**	**708**	**d.°**	**100**	**70,800**	**00**
„	**2,396 to 3,395**	**1000**					
„	**3,954 to 3,957**	**4**	**1004**	**d.°**	**25**	**25,100**	**00**
1 Certificate of.....						**23**	**11**
Bonds 3,896 & 1 Certificate. Amount.....							**$6.633,423 11**

D.

ACCOUNT OF DIVIDENDS.

The dividends payable at the rate of 3 per cent. per annum.

1st.	quarter	on	$3.908,673 11	due on	14th. August	1852	$ 58,620	10
2nd.	„	„	6.633,423 11	„	14th. February	1853	99,501	35
3rd.	„	„	d°	„	14th. August	1853	99,501	35
4th.	„	„	d°	„	14th. February	1854	99,501	35
5th.	„	„	d°	„	14th. August	1854	99,501	35
6th.	„	„	d°	„	14th. February	1855	99,501	35
7th.	„	„	d°	„	14th. August	1855	99,501	35
8th.	„	„	d°	„	14th. February	1856	99,501	35
9th.	„	„	d°	„	14th. August	1856	99,501	35
10th.	„	„	d°	„	14th. February	1857	99,501	35
11th	„	„	d°	„	14th. August	1857	99,501	35
12th.	„	„	d°	„	14th. February	1858	99,501	35
13th.	„	„	d°	„	14th. August	1858	99,501	35
14th.	„	„	d°	„	14th. February	1859	99,501	35
15th.	„	„	d°	„	14th. August	1859	99,501	35
16th.	„	„	d°	„	14th. February	1860	99,501	35
17th.	„	„	d°	„	14th. August	1860	99,501	35
18th.	„	„	d°	„	14th. February	1861	99,501	35
19th.	„	„	d°	„	14th. August	1861	99,501	35
20th.	„	„	d°	„	14th. February	1862	99,501	35
							1,949,145	75

Amount of dividends paid on account of	1st.	quarter.	$49,946	62½	
d°	2nd.	„	90.775	87½	
d°	3rd.	„	90,759	37½	
d°	4th.	„	90,590	25	
d°	5th.	„	94,896	75	
d°	6th.	„	8,002	50	424,971 37½
Total amount due for interest					1.524,174 37½

Note.—It will be observed from the account, that none of the dividends have been fully paid by D. Lorenzo Carrera, and the Treasury has been unable to ascertain the reason why some Creditors have been paid in preference, whilst others remained unnoticed.

E.

Account of the Agents to the Bondholders of this Convention.

Of the agent, D. Lorenzo Carrera.

Received from the General Treasury in various sums, according to Current Account.....	$	365,431 55
Amount of interest paid on the Coupons delivered into the General Treasury.....		365,460 75
Balance in favor, passed to the credit of the new agents...	$	29 20

Of Messrs. Francisco Almirante, and Manuel Fernandez Puertas.

Received from the General Treasury, and from the Committee of Public Credit.....		24,911 02
They were credited with the balance in favor of D. Lorenzo Carrera and the coupones they delivered.....		24,796 83
Balance against them.....	$	114 19

Of D. Rafael Trueva.

Received from the General Treasury in various sums.....		35,570 11
Delivered in coupons.....		34,743 00
Balance against him.....	$	827 11

Of D. Miguel Buch, the present agent.

Received in Vera Cruz from D. Dionisio P. Velasco..... $ 3,817 47

Which amount remains in his possession.

NOTE.—The sums which result against the agents, must be deducted from the total amount of interest due.

SECOND

SPANISH CONVENTION.

CREDITS OF PADRE MORAN.

From the time the Portuguese and Dutch commenced to establish factories and mercantile colonies in India and in the islands of the Chinese sea, the teachers of religion, especially the Jesuits, made in their turn and in their style, spiritual conquests of no litle importance to the worldly interests of certain Sovereigns. Amongst the many Missionaries who, in the course of time, have visited these parts, are included the Dominican Friars, who established a province in the Phillipines which they called the *Santisimo Rosario*, and undertook the charge of directing the Missions of Tunkin and Fonkien.

These Dominican Missionaries established a charitable institution (*hospicio*) in Mexico, and acquired, like all friars who came to America in those days, certain landed property, which was ceded or bequeathed to them by some rich and pious persons, who were then plentiful in the Americas, and are not scarce even in the present day.

The object of this charitable institution was to lodge the teachers of religion that came from Spain, and to assist them with the resources they might require to continue their journey to China: once they arrived at the Phillipines they had their convent there, provided with every necessary.

As time progressed the religious zeal lost its ardor, and the Dominican Missionaries acquired in Mexico a larger amount of property and greater advantages, as well as the absolute independence, which they enjoyed for a long period of years, without any person inquiring into the investment of their riches.

This was the state of affairs when Mexico gained her Independence. By a decree, dated July 4th. 1822, it was ordered to make an inventory of, and occupy the property that belonged to, the missionaries of the Phillipines; and in virtue of the interference of the agents it was ordered by a decree, dated June 9th. 1823, that the sequestration should be annulled, and that the property should be delivered to the Governors of the charitable institutions. On the 27th. of November of the same year, the powers of the Governors were restricted, and notice was given to them to furnish a yearly account to the Government of the products, and of the investment. On the 22nd. of May 1827, the Congress of the State of Mexico declared that the property of the Dominican Missionaries belonged to the Exchequer, and consequently occupied the *haciendas* called *Chica* and *Grande*, situated near the city of *Texcoco*. On the 2nd. of September 1829, the General Government ordered the occupation of the property of all persons who might reside in the enemy's country; in consequence of which, the *haciendas* referred to were incorporated in the Federation and given in rent to Don Felipe Neri del Barrio, on the 20th of October following. On the 14th. October 1836, a decree of the General Congress conceded to the Missionaries, the right to sell their property. This is a compendium of the official history, by which it may be observed, that if in the moment of excitement decrees were issued contrary to the interests of this religious body, they always exercised sufficient influence to procure their repeal in a short time.

On the 15th. May 1840, a Spanish Dominican Friar visited Mexico, who was stated to be a Professor of Theology, an Apostolic Missionary, and agent of the Province of the "*Santo Rosario de Filipinas*," as representative of, and by a power ceded to him by Padre, Juan Alvarez del Manzano. This friar was Padre Moran, who, in his turn,

transferred the power he held, to sundry individuals, whom he considered might be serviceable in aiding him in the affair with which he was intrusted.

The *haciendas* of *Chica* and *Grande* were not in the possession of the Government, but in that of Sr. Barrio, as tenant. Another Dominican friar, who is still alive, called D. José Servin de la Mora, with a power, more or less ample or sufficient, to get rid of the letting, and to obviate any other measure being taken by the Government in future, sold the *haciendas* referred to, to General D. José Maria Cervantes. Padre Moran instituted a notorious law-suit on the nullity of the sale, and in the judicial allegation, Licentiate D. Florentino Conejo, who was the defendant's lawyer, demonstrated, by very sound reasoning, that this was not ecclesiastical property; that the establishment of the "*obra pia*" was not authorized by the Pope; and that the legal existence of the Phillipine Missionaries in Mexico had ceased.

In fact, in 1843, when this question was discussed, it would have been more difficult to understand it, but in the present day it is perfectly well comprehended that the majority of the friars who resided in Mexico at the time of making the Independence being Spanish, and each of the various corporations having their relations, connexions, and foundations in Spain, they might, in like manner to Padre Moran, have claimed, as Spanish property, the greater part of what they possessed, and have made the Mexican Government pay at least provisionally, for the property taken from the Jesuits, and from those who belonged to the extinct religious institutions. What convent was there in Mexico that had not its ramifications in Spain, according to its regulations,—its favorite saints, its fraternities, its brotherhoods, and its benefices ("*Capillas?*") From what reason could it have been inferred that the property given in charity to friars in *Mexico*, and by *Mexicans*, was, in the course of time, to be considered as Spanish property? We have stated that till the year 1821 everything belonged to Spain, but from and after that year everything belonged to Mexico; and no other question than that of the debt having remained pending, it was arranged by the Treaty of Madrid, by agreeing *that it was national and belonged* to Mexico. If this were not the case, why has not the Legation claimed the sums expended in the construction of the Cathedral, the Palace, the Municipal-houses, the Prison, (Acordada), the Castle of Chapultepec, and the rest of the edificies constructed with the *money fur-*

nished from the Regal Exchequer? For this there were at least more reasonable pretexts, than to pretend that the charitable gifts of the Mexicans, which were made to the friars who came to Mexico, should in the course of time deprive the Mexican Government of its resources, and that the squadrons and troops of Her Catholic Majesty should come to arrange these questions on Mexican soil All this is repugnant to reason and common sense; nevertheless, this has transpired without there being any means of complaint, but from the careless manner in which the functionaries have acted, who intervened in these singular and disgraceful operations.

The Mexican Exchequer, which is at all times the expiatory victime, undertook to adjust the law-suit, which, without any doubt, Padre Moran would have lost before the tribunals.[1]

General Don Miguel Cervantes solicited from the Government that the pension which he enjoyed should be capitalized; that the arrears due to him thereon should be paid; and that, adding 50,000 dollars which he delivered as "*refuccion*," he should be paid the whole amount of the affair, viz. 212,390 dollars, with the value of the *haciendas* of *Chica* and *Grande*, and with "*capitales*" that Cervantes himself would designate. Consequently the Government obliged itself to pay the value of the *haciendas* to Padre Moran, provided that he would deliver all the title-deeds to Cervantes, and thus terminate the law-suit. The value of the *haciendas*, which the Phillipine Missionaries had previously calculated in 100,000 dollars, was fixed in 115,000 dollars, and 30,000 dollars besides was granted to him as an indemnity. Well, so far, nothing appears but an advantageous business both for Cervantes and for Padre Moran, but it is incomprehensible why Her Catholic Majesty's Minister, D. Pascual Oliver, interfered; nevertheless, it so occurred, and on the 7th. of November 1844, the, what may be termed, second Spanish Convention was signed; (but in consequence of the existence and date of the last treaty, we have given priority to the so called Spanish credits). The particulars of this arrangement may be seen in the document marked A.

When certain persons take charge of affairs, (Doctor Galvez was instrusted with the above) no means can be found to terminate them. Notwithstanding that the parties had succeeded in gaining the con-

1 Sr. Ramirez, in his Report, says: That the Government sold to Sr. Cervantes the *haciendas* of *Chica* and *Grande*; the party who sold them was Padre Servin, with the authorization of Padre Muñoz. In this manner the aspect of the question is changed.

descension of the Government to convert a lawsuit of the friars into a foreign debt and a Convention; notwithstanding that Padre Moran, and, moreover, Señor Oliver, had stated in the 6th. article of the Convention that, "*at no time and under no pretext* could the *Phillipine Missionaries* make any claim whatever," the said Oliver claimed, on the 4th. of February 1845, the product of the aforesaid property, and the Mexican Government, consented on the 26th. of September, to enter into another arrangement; whereby, on the one hand, it made an instalment of 61,346 dollars, and on the other, 30,000 dollars on account of the interest overdue from 1827. Therefore, this affair, by which the Treasury received 50,000 dollars, in cash, cost:

For amount paid to Padre Moran.....	$	236,346 00
Do Do General Cervantes.....		211,390 00
Total.....	$	447,736 00

This extract is dedicated to a brave soldier, and, moreover, to a Spanish soldier,—to General Prim, Count de Reus. He has arrived with armed force to demand satisfaction for the outrages and injustice that we have committed towards the Spanish, and he ought to read the particulars of certain events, in order that his noble soul and liberal heart may repair the bitter and great injustice which has served as a basis and pretext to many of the Spanish Ministers who have not taken into consideration the precise letter and clear text of the Treaties, but who have always endeavored to find means to annoy Mexico, and to place her relations with Spain in the hazardous and complicated position produced by the unfortunate and vindictive diplomacy of the Ambassador, D. Francisco Pacheco.

We continue the history of this affair:

It appeared to be concluded in every respect, when another claim was presented. A lady called Doña Josefa de Paula Argüelles bequeathed property to the Phillipine and Californian Missionaries. This property, which consisted of sundry lands, was sold to Doña Juana Guerra and various other persons between the years 1803 and 1812.

By a decree of the 14 of October 1842, the provisional Government of General Santa-Anna seized the property of the Californian Missionaries, in consequence of which Dr. D. Mariano Galvez, as the agent of Padre Moran, claimed whatever might belong to the Phillipine Missionaries of this property.

Against the force and legality which this claim might have had, the 6th. article of the Convention, dated the 7th. of November, is, in the first place diametrically opposed; but, above all the entire and absolute want of documents on the part of the claimants, is another objection.

Before going any further, the will of the Señora Argüelles ought to have been produced by Padre Moran, and the proof of the sums due by the Government in consequence of these legacies.

How was this essential data to be supplied? How was this difficulty to be overcome? This appeared to be impossible, inasmuch as a claim was made upon the Exchequer for the amount without producing a single voucher, nor even a single proof of the debt! What obligation had Mexico to pay that which was not proved to be due? A debt of whatever nature is founded on a Bill, Deed, Promissory-note, or, at least, on a simple letter. Padre Moran had nothing of the kind.

How then could it have been as-certained that the Señora Argüelles had bequeathed a certain sum to the Phillipine Missionaries?

We will explain it. In the books of the General Treasury sundry entries were met with of deposits made by Doña Juana Guerra and other persons, of sums proceeding from the property of Josefa Argüelles. This information was communicated to the Spanish Legation for no other purpose than that it might serve as a proof of its existence; but the real effect produced, was to furnish Dr. Galvez with a basis on which to establish the amount and to endeavour to obtain an arrangement in due form, which he could not previously do, because the interested parties themselves were entirely ignorant of every particular connected therewith.

From this information it is evident that the Treasury of the Viceroyal Government received the sums expressed therein, which we enumerate for greater cleaness under letter B;—But who can say whether they were afterwards paid, if a compensation was made by other property, or if they were otherwise disposed of by orders of the Sovereign? In order that this might not be a subject of doubt, it would be necessary to produce the subsisting deeds, free from annotations, as well as the will. This is the only mode to prove debts. And who ought to produce these deeds? Padre Moran, he who had made such an enormous claim against the Mexican Treasury? What did Padre Moran possess of all these document? Nothing, absolutely nothing.

The necessity of producing the proofs was so real and evident, that Padre Moran presented himself before the Government *offering it a thousand thanks, a thousand favors, and the most generous concessions;* but the first article of his proposals commenced with the following remarkable words:

"*Without compelling the Missions to produce the documents* [*as they have not been exacted in similar cases*] *which were delivered to those persons who made the payments of the sums that are now ordered to be returned by the Conventions, &c....*" The Government singularly enough assented to this strange petition.

In this manner the difficulty was overcome, and really, if private individuals possessed the same condescendence as the Mexican Government had in this instance, nothing would be more easy than to leave themselves without a cent. It is apparently incredible that this debt could have been thus recovered, and that a Missionary Professor of Theology should have so abused his influence with the Spanish Legation. All, in fact, appears incredible; but the result is that in this manner the affairs transpired. In order that a correct idea may be formed of these proposals, we insert, under letter C, an exact copy of the document.

Any person would believe that all these concessions, which were made beyond the limits of justice, would have satisfied the voracious and insatiable avariciousness, not of Padre Moran, (who, according to the public voice, appropriated a few dollars), but of other persons who managed the affair: whoever think so, however makes a mistake. Ten thousand dollars besides were found out, destined to the *Carro de China*, (a pious donation from the said Señora Argüelles), which appear to have been delivered to these Viceroyal treasury of Mexico, and not even of this sum had Doctor Galvez any proof.

Lastly, on the 6th of December 1851, the *haciendas* of *Chica* and *Grande*, the *sums without any vouchers belonging to the estate of Mrs. Argüelles*, the *Carro de China* and the interest, and everything possible and impossible, was reduced to a formal Convention, (Document D)—a Convention that has enjoyed all the advantages and privileges of the English Convention, with which it has always been united in consequence of Messrs. Martinez del Rio, Brothers, being the agents thereof.

This extract has been made in a few minutes. It may be inexact in every other respect, but not in the confession of the said *Padre Moran "that he had no documents."* This is the grand question, which

proves what we Mexicans do, and what is done with us in matters of accounts and arrangements. A more mature examination would afford greater information to elucidate this question.

In conclusion, this affair, which the President of the Missions of Manilla supposed could not pass 100,000 dollars, exceeded a million. How many Chinese children have been saved by the blood of Mexicans? How many Pagans have been converted to the faith of Jesus Christ? We should like, as a mere curiosity, for the Padre Professor of Theology to furnish, not to us, but to the Queen of Spain, an account of the expenditure of all the funds that Mexico has paid up to the present time.

The accompanying liquidation, marked E, shows the instalments paid by the Maritime Customs, on account of the capital and interest, to Padre Moran, from the year 1845 to 1851.

The document marked F, is the interest account at the rate of 3, 4, and 6 per cent., (because this basis was also altered without any interference of the Spanish Legation, which did not exist in Mexico at the date on which the arrangement was made), and the document G, is the amortization account. The recapitulation shows that the affair of Padre Moran has cost, up to the present time, 785,000 dollars, and the Republic still remains owing the sum of 825.000 dollars, which bears an interest of 6 per cent. per annum in consequence of a gratuitous concession, because there has been no diplomatic agreement for this purpose, but simply an order from the Zuloaga Ministry, declaring that the claims of Padre Moran were comprised in the compact made respecting those of Messrs. Martinez del Rio, Brothers.

A.

SECOND SPANISH CONVENTION.—PHILLIPINE MISSIONS.

(NOVEMBER 7TH. 1844.)

The Minister of Foreign Affairs, Don Crescencio Rejon, the Minister of Finance, Don Antonio Haro y Tamariz; the Minister Plenipotentiary of Her Catholic Majesty, Don Pedro Pascual Oliver; and padre Friar José Moran, the representative of the Missions, having met on the 7th. of November 1844, entered into the following agreement:

Art. 1st. The Government of the Republic shall pay to the representative of the Missionaries the sum of 115,000 dollars, the conventional value of the *haciendas* of Chica and Grande, by bills drawn in favor of Padre Moran.

Art. 2nd. The sum of 30,000 dollars shall be granted *as an indemnity*, which, added to the above amount, makes a total of 145,000 dollars.

Art. 3rd. The credit shall be satisfied by one per cent. of the import duties of the maritime Customs, and one per cent. of the duties caused by the *conductas*.

Art. 4th. The capital shall bear an interest of six per cent., and an account shall be made half-yearly of what may remain to be redeemed.

Art. 5th. Padre Moran shall deliver to Sr. Cervantes the deeds and titles he may have, and legalise a transfer of dominion.

Art. 6th. *At no future time, nor under any pretext*, can the Phillipine Missionaries make any claim whatever.

B.

DEPARTMENT OF FINANCE. —GENERAL TREASURY OF THE FEDERATION.

LIST of the sums, according to the journals of the General Treasury, that were therein received on account of the property bequeathed by Doña Josefa de P. Arguelles, to the Missionaries of the Phillipine Islands,

WHICH list is formed in virtue of the Supreme Order of the 1st. *of the present month of May, Number* 191, *and in conformity with the agreement entered into between the Supreme Government, and the agent of those Missionaries, which was communicated to the General Treasury on the* 24th. *of December* 1845; *it being observed that the present list shall serve for no other purpose than as evidence to the Spanish Legation, for which object it is remitted to the Finance Department, in compliance with the said Supreme Order.*

As appears by the entry of the 2nd. of August 1803, up to that date there had been delivered on account of the property of Doña Josefa de P. Argüelles, the sum of $ 544,951 10, of which 10,000 dollars corresponded to the children of the *Carro*, and of the remainder, one quarter part to the heirs, and the residue in equal parts betwen the Californian and Phillipine missions, consequently, to these latter.....	$ 200,606	5	4
On the 9th. of February 1804, the sum of 18,000 dollars was delivered, of which there corresponded to the missions, in the same terms as the anterior.....	6,750	0	0
Forward.....	$ 207,356	5	4

Forward.....		$ 207,856 5 4	
On the 20th. January 1809, delivered by Doña María Josefa Gonzalez Guerra, the sum of 80,000 dollars, of which there corresponded to the missions.		80,000 0 0	
On the 1st. of February 1809, delivered by D. Fermin Antonio de Apezechea, 30,000 dollars, of which there belonged to the missions.....		11,250 0 0	
On the 25th. of October 1809, delivered by the Señora Gonzalez Guerra, 25,000 dollars, of which there corresponded to the missions...		9,375 0 0	
On the same date and by the same person, 75,000 dollars were delivered, of which there corresponded, to the missions.....		28,125 0 0	
On the 16th. and 29th. July 1812, the same person delivered in two amounts, the first 6,000 dollars, and the second 2,000 dollars, 8,000 dollars, of which there corresponded to the missions.....		3,000 0 0	
On the 29th. of July 1812, delivered by D. Fermin Antonio de Apezechea, 19,000 dollars, of which there belonged to the missions.		7,125 0 0	
On the 7th. May 1814, delivered by the same person $ 28,453 5 rials 3 grains, of which there corresponded to the mission.....		10,670 0 10	
On the 15th. May 1804, there was assigned to the children of the *Carro de China*.....		10,000 0 0	
		$ 316,901 6 2	
Of the foregoing amounts $ 201,856 5 rials 4 grains, bear an annual interest of 5 per cent. from the 26th. of April 1804, when taxes, upon capital were levied to satisfy the premium to the Phillipine missions, until the 23rd. of December 1845, on which date the agreement was entered into; which interest, for 250 days in the year 1804, forty years from 1805 to 1844, and 357 days in 1845, amounts to.....	420,478 6 6		
The 10,000 dollars of the *children of the Carro* also bears an interest of 5 per cent. per annum, from the 15th. May 1804 to the 23rd.			
Forward.....	$ 420,478 6 6	316,901 6 2	

Forward..... $	420,478 6 6	316,901 6 2	
December 1845, which for 231 days in the year 1804, forty years from 1805 to 1844, and 357 days in 1845, amounts to.....	20,804 4 11		
		441,283 3 5	
		$ 758,185 1 7	
Deduct 4 per cent. from one year, interest on both of the above sums, in conformity with the decree of the 22rd. August 1838.....	423 6 0		
Deduct 10 per cent. on $ 758,185 1 rial 7 gs. amount of capital and interest, which percentage is taken from the full amount, in conformity with the power reserved by the agent in the agreement of 24th. December 1845.....	75,818 4 1		
		76,242 2 1	
		$ 681,942 7 6	

NOTES.

1st. Of this amount $ 316,901 6 rials 2 grains, bear an annual interest of 6 per cent. from the 24th. December 1845, proceeding from mortgages, in conformity with the 4th article of the said agreement.

2nd. The preceding sum of $ 681,942 7 rials, 6 grains, does not include any other liquidation made previously to the 27th. June 1846 by the "Secction de Temporalidades," (1) in favor of the missions, for the "*occupation*" and investment of the property bequeathed by Doña Josefa de Paula Argüelles, which, added to the "*refaccion*" in cash made by the said missions, amounted to $ 138,133 6 rials 0 grs., and which sum also bears an annual interest of 6 per cent. from the 24th. of December 1845, in conformity with the said 4th. article.

3rd. For the payment of these amounts, the respective orders have been issued to the maritime Custom-Houses, the Commissariat of San Luis, and the principal Collecting Office of Mexico, in order that each department may pay its corresponding portion, according to the said agreement.

Mexico, May 3rd. 1847.—*A. Batres.*--*Fernandez del Castillo.*

Copy. Mexico, May 1847.—*Lombardo.*—Examined.—A flourish.

(1) Department of the Church revenues. *Tvl.*

C.

THE petition of Padre Moran, agent of the Phillipine Missionaries, to dispense with the presentation of documents, which was acceded to by the Finance Department.

Finance Department.—Second Section.—The Rev. P. Fr. José María Moran, agent of the Phillipine Missions, on the 6th. instant, presented the following petition to the Supreme Government.

"Your Excellency.—For the purpose of concluding the pending liquidations of what the General Treasury is indebted to the Phillipine Missionaries, and in order that the final balance may be made; and also with the view of making still further concessions to the National Exchequer besides those contained in the additional Convention of the 24th. of December 1841, in compensation of which orders were given to pay the claims referred to in the 2nd. article, I make the Supreme Government the following proposals:

1st. *Without compelling the Missions to produce the documents (as they have not been exacted in similar cases) which were delivered to those persons who made the payments of the sums that are now ordered to be returned*, by the Conventions entered into between the Government of the Republic and that of H. C. M., as these documents are not "credits" against the Exchequer, but of payments made thereto, and therefore do not affect it; and in compliance with the said Conventions, the Supreme Government shall command the General Treasury to issue the corresponding orders for the payment of the amount of the liquidation which was remitted on the 30th. ultimo, with which amount, together with those that have been previously ordered to be paid, the said missions will be content and satisfied for what is owing to them by the General Treasury, and renounce any larger amounts that they might be entitled to; making this renouncement so ample, general, and unexceptionable, that in consequence thereof they shall not claim in future a single dollar more, under any title, reason, or motive, be it whatever it may.

2nd. This order for the payment, which is to be issued by the Supreme Government, shall not prevent the liquidation from being revised by the Tribunal of Accounts for the better explanation of the claim of the missions, and the grea-

ter justification of the procedure of the Supreme Administration, consid
what may be most advantageous for the decision of the matter in dispute
the said Government; without its being understood that by this or any othe
whatever of the Government, the literal meaning of the Convention of the
December last, especially the 2nd article, shall be weakened, annulled, or
red; nor that the missions can consent to a re-examination, or admit a dou
exist respecting the unchangeable validity of the previous or present liquidat
nor of what was recognized, agreed to, and promised in the said Conve
which is still in the same state and shall remain as firm, valid, and wi
alteration, as though these proposals had not been made or accepted.

3rd. Although the orders mentioned in the 1st. article, ought to be i
without delay,—in compliance with the compromise contained in the Conve
—if, (which is improbable), it should actually happen that those which oug
be given by the General Treasury for payment, should not be emitted by
6th. of July 1847, in consequence of the orders of the Government, by this
ple fact, be the cause whatever it may, the cession contained in the prec
article shall, on the said 6th of July remain without effect as though it ha
been made, and the missions shall have perfect right to recover all that the
ceded.

4th. In consideration of the said cession, and bearing in mind that the
sions have not claimed anything in consequence of the amounts they hav
received from the Conventions by reason of the order to suspend paym
dated May 2nd., and by another special order of April, adressed to the Tr
rer at San Luis, the Government shall declare:

First.—That the said missions are exempted from continuing to pay the
faccion" mentioned in the 3rd. article of the Convention of December, and t
fore they shall not have to make any disbursements in future.

Second.—That the instalments for the total amount adjusted up to this
in favor of the missions, shall be made, every time that they are verified, in e
parts on the debt which bears interest, and on that which does not: it bein
derstood that of each amount to be received by the missions until the total pay
of the debt,—the interest being first paid,—one half is on account of that w
bears interest, and the other half on that which does not bear any.

5th. The said missions, in order to demonstrate more and more their de
to alleviate, on their part, the situation of the National Exchequer, renounc
5 and 10 per cent. assigned to them in the Convention of December, on th
ties arising from *Conductas*, and instead thereof, two per cent. shall in futu
applied, independent of the one per cent. mentioned in the Convention of No
ber, until the whole of the claim be paid; which assignment, thus reduced, o
duties of silver exported, shall be paid in the Treasuries or Customs at the p
or in any other place where it is or may be commanded to receive those duti
future; but this renouncement shall have no effect and shall cease in the e
mentioned in the 3rd. article happening, whereby the renouncement referr
therein would also become null.

6th. The preceding articles shall be considered as a part of the Conven

of the 7th. November 1844 and the 24th. December 1845; and, consequently, they shall be communicated to his Excellency the Spanish Minister by the Minister of Foreign Affairs, in order that the said articles may be accepted and approved of in that sense, in case they be agreed to by the Supreme Government of Mexico.

The foregoing petition, contained in the six articles which compose it, has been accepted by his Excellency the President *ad interim*, excepting the terms of the 2nd. article *respecting the revision to be made by the Tribunal of Accounts of the liquidation referred to*, which shall be determined upon *when the opinion asked for from the Council is received.*

Which I communicate to your Excellencies for its corresponding purposes.

God and Liberty. Mexico, July 11th. 1846.—*Iturbe.*—To their Excellencies the Ministers of the General Treasury.

Copy. Mexico, July 11th. 1846.—*J. L. Huici.*

D.

SPANISH CONVENTION.

(DECEMBER 6TH. 1851.)

The undersigned, the Minister for Foreign Affairs of the United Mexican States, authorized by the decree dated 17th. of October last, and the Envoy Extraordinary, Minister Plenipotentiary of Her Catholic Majesty, having met in conference, have agreed to the following articles:—

Art. 1st. That Don Cayetano Rubio, the present possessor of the credits that belonged to the Dominican missionary *padres*, comprehended in the arrangements made in the name of their agent the Rev. P. Moran, shall appear before the General Treasurer to make a liquidation of the said credits, in conformity with the present agreement, and the said Department shall effect the same within the precise term of thirty days from the date hereof.

Art. 2nd. The Mexican Government obliges itself to pay annually five per cent. for the redemption of the consolidated fund, and an annual interest of 3 per cent. on the amount that may be unredeemed.

Art. 3rd. The payment of the annual sums destined for the redemption and interest of the credits comprised in the present agreement, shall be made every six months into the hands of Don Cayetano Rubio. To carry out the stipulations contained in the foregoing article, the Mexican Government obliges itself to assign from the products of the import duties that may be recovered in the Custom-Houses established at the ports of the Republic, a certain percentage sufficient to cover the amount of 5 per cent. for the redemption, and 3 per cent. for the interest caused by the credits embraced in this agreement. In order that the payment of these 5 and 3 per cent. may not be deferred nor suspended, the Mexican Government obliges itself to issue an order to the administrators of the said revenue, establishing the quota of the said duties that must be remitted in separate bills to the General Treasury in favor of said Sr. Rubio; which bills must be delivered as soon as they may be received by the said Treasury.

If at the end of the year, the 5 per cent. redemption and the interest should not be covered, the General Treasury shall, without the necessity of a new order, pay the deficit with the bills it may receive from the Maritime Customs; and the

said Sr. Rubio shall on his part, in case he may have received a larger sum tl the amount of the said annual redemption and interest, return the surplus to General Treasury.

Art. 4th. The Minister for Foreign Affairs of the Republic, shall trans to H. C. M's. Minister Plenipotentiary, a copy of the order that may be iss by the Minister of Finance to the Administrators of the Customs, in complia with the preceding article; which order shall be considered as though it w herein inserted, and shall form a part of this agreement.

Art. 5th. The Mexican Government desiring to give unequivocal proof the justice and equity with which it purposes to proceed in this arrangem obliges itself to improve the condition of the credit referred to, by increasing, a the fifth year from this date, the interest ceded to the capital and the rate of demption. Consequently, it guarantees to pay to Sr. Don Cayetano Rubio annual interest of 4 per cent., and 6 per cent. annually for the redemption, the expiration of the said fifth year, so that this increase may commence from sixth year.

Art. 6th. As it is the intention of the Mexican Congress to enact a law the payment of the internal debt, Don Cayetano Rubio has the option of tra ferring the credits referred to in the present agreement, to the fund that may created in virtue thereof; advising his determination to the Minister for Fore Affairs who shall communicate the same to H. C. M's. Legation.

Art. 7th. It is expresely stipulated and agreed that in case the General T sury should violate, suspend, or defer the fulfilment of any of the obligations c tracted in the present agreement, it shall be considered as annulled, and Sr. bio shall be reinstated in the enjoyment of the rights acquired by the arran ments and conventions made with the Rev. P. Moran.

In Witness whereof, We the said Minister for Foreign Affairs of the Re public, and Envoy Extraordinary, Minister Plenipotentiary of Her Catholic jesty, sign and seal these presents with our respective seals in the city of M ico, this 6th. day of December 1851.—(L. S.)—*José F. Ramirez.*—(L. S. *Juan Antoine y Zayas.*

E.

List of sums paid on account of the Phillipine Convention.

1845.	By	1	per cent from the Maritime Customs.		$44,203	6	2
1846.	„	1	„	„	16,239	4	8
1848.	„	2	„	„	40,389	6	5
1849.	„	2	„	„	109,176	0	10
1850.	„	2	„	„	89,111	0	10
1851.	„	2	„	„	15,452	0	8
					$314,572	3	2

Mexico, April 20th. 1862.—*P. G. Cardeña.*

F.

Interest of 3 per cent. caused by the capital recognized in the Spanish Convention of Padre Moran.

					Debit.
1852.	June. 4.	By	1st. half-year on	$ 983,000 00	$ 14,745 00
"	Decr. 4.	"	2nd. do.	do.	14,745 00
1853.	June 4.	"	3rd. do.	973,000 00	14,595 00
"	Decr. 4.	"	4th. do.	do.	14,595 00
1854.	June 4.	"	5th. do.	939,000 00	14,085 00
"	Decr. 4.	"	6th. do.	do.	14,085 00
1855.	June 4.	"	7th. do.	879,000 00	13,185 00
"	Decr. 4.	"	8th. do.	854,000 00	12,810 00
1856.	June 4.	"	9th. do.	do.	12,810 00
"	Decr. 4.	"	10th. do.	do.	12,810 00
				do.	12,810 00
					$ 138,465 00

Interest of 3 per cent. paid to the Spanish Convention of P. Moran.

			Credit.
Coupons of the 1st.		dividend.....	14,745 00
do.	2nd.	".....	14,745 00
do.	3rd.	".....	14,595 00
do.	4th.	".....	14,595 00
do.	5th.	".....	14,085 00
do.	6th.	".....	14,085 00
do.	7th.	".....	13,185 00
do.	8th.	".....	12,810 00
do.	9th.	".....	12,810 00
do.	10th.	".....	12,810 00
			$138,465 00

Interest caused by the 4 per cent. on the capital recognized in the Convention of P. Moran.

								D
1857.	June	4.	By the	11th.	half year, on	$ 825,000 00	..	$ 1
„	December	4.	„	12th.	do.	do.	....	1
								$ 3

Interest of 4 per cent. paid to the Spanish Convention of P. Mo

				CR
144	Coupons of the	11th.	dividend.....	$ 1
144	do.	„ 12th.	do.....	1
				$ 3

Interest of 6 per cent. per annum, caused by the Spanish Conven P. Moran.

1858.	June	4.	By the	13th.	half year, on	$ 82,500 00	..	$ 2
„	December	4.	„	14th.	do.	do.	....	2
1859.	June	4.	„	15th.	do.	do.	....	2
„	December	4.	„	16th.	do.	do.	....	2
1860.	June	4.	„	17th.	do.	do.	....	2
„	December	4.	„	18th.	do.	do.	....	2
1861.	June	4.	„	19th.	do.	do.	....	2
„	December	4.	„	20th.	do.	do.	....	2
								$ 19

Interest of 6 per cent. per annum, paid to the Spanish Convent P. Moran.

By	144	Coupons of the	13th.	dividend.....	$ 2
„	144	do.	„ 14th.	„.....	2
„	144	do.	„ 15th.	„.....	2
„	144	do.	„ 16th.	„.....	2
„	144	do.	„ 17th.	„.....	2
„	144	do.	„ 18th.	„.....	2
On account of	144	do.	„ 19th.	„.....	2

Balance due of $ 25.388 81, which belongs to the following dividends.

By balance of the	19th.....	$ 638 81	
„ full amount of the	20th.....	24,750 00	2
			$ 19

RECAPITULATION.

Paid from 1845 to 1851 ..... $	314,572	3	2
By 10 dividends at 3 per cent. from 1852 to 1856	138,465	0	0
„ 7 do. 6 „	174,612	0	0
„ 55 Bonds redeemed	158,000	0	0
$	785,649	3	2

Mexico, April 20th. 1862.—*P. G. Cardeña.*

G.

REDEMPTION account of the capital of the Spanish Convention of Padre Moran.

By 5 per cent. redemption from the 6th. of December 1851, to the 6th. of December 1856, five years, or 25 per cent. on... $983,000 the amount of the primitive capital.....	$	245,750 00
By 6 per cent. per annum, from the 6th. of December 1856. to the 6th. of December 1861, five years, or 30 per cent. on $ 983,000.....		294,900 00
	$	540,650 00
By 55 Bonds redeemed, representing a value of.....		158,000 00
Balance which represents what is due for the redemption		382,650 00
	$	540,650 00

DEMONSTRATION.

Capital of the Convention.....	$	983,000 00
„ redeemed.....		158,000 00
	$	825,000 00

Mexico, April 20th. 1862.—*P. G. Cardeña.*

QUESTIONS WITH FRANCE.

French Conventions.

Jecker Bonds.

Peza Bonds.

FIRST CONVENTION.

HISTORICAL EXTRACT.

CLAIMS OF SERMENT P. FORT &. C.°

On the 16th. of February 1846, when the late Don Luis Parres was Minister of Finance, a contract was made, (Appendix No. 2), by which the houses of Guillermo Drusina & Co. and Serment P. Fort & Co., were to deliver to the Government 940,000 dollars in cash, and 940,000 dollars in 26 per Cent. Bonds; the whole sum of $1880,000 to be payable by 20 per Cent. of the import duties of the Maritime Custom-House of Vera Cruz, that had been assigned to the payment of the troops,—with $50,000 per month from the Tobacco Revenue,—with the free part of the products of the same Custom-House, immediately that the orders previously given should have been satisfied by permits for the importation of raw Cotton, and by the duties on the exportation of silver.

By the decree of the 2nd. of May of the same year (1846) and by the law of the 14th. of June 1848, payments were suspended, and

the contractors also suspended the instalments they were making, and the delivery of the $940,000 in "credits:"

Up to the 24th. of July 1849, the contractors had delivered in Mexico, in various parts of the interior, and in Vera Cruz, the sum of..... $	616,625	4	8
They received in various offices, up to the same date	215,538	4	4
Balance, owing them in cash..... $	401,087	0	4

The Contractors, not acquiescing in the orders given for the suspension of payments, applied to the Supreme Court of Justice, where they commenced a suit against the Government; which latter, (by sentence of the Magistrates, Figueroa, Aguilar, and Pacheco, who formed the third "sala"), were condemned to payment.—This sentence is dated the 24th of January 1850.

On the 4th. of May, Don Melchor Ocampo being then Minister of Finance, it was ordained that until the whole of this claim was liquidated, there should be paid to the said houses, one half of the export duties on silver in the ports of Tampico and Vera Cruz.

On the 21st. of January 1851, the Committee of the Chambers of Deputies and Senators, who, by the law of the 30th. of November 1850, were authorized to treat with various creditors, made an arrangement with Messrs. Serment P. Fort & Co., by which they acknowledged the $616,000 owing to the latter as above stated, for money advanced, and, moreover, $615,000 which they should deliver in paper value ("créditos"): Twelve per Cent. per annum. was allowed as interest on the cash payments, for the whole of the time the parties should not be reimbursed. On the same date the Chief Clerk in charge of the Department of Finance, communicated to the Minister of Foreign Affairs, the arrangement made with Serment; and all the other particulars it contains may be read in the accompanying document marked No. 4.

This arrangement was not complied with in that part relative to the $300,000 of the United States Indemnity, promised to the creditors; therefore they had to apply again to the Government, to substitute this fund by some other; and as they adduced, with some reason, the sentence given by the Court of Justice in their favor, the French Legation had to interfere; and after various conferences, the Convention of the 17th. of December 1851 was made between Mr.

Levasseur and Sr. Don Fernando Ramirez, in charge of the Department of Foreign Affairs. (See Document No. 3).

In virtue of this arrangement $160,000 were given to the Government in documents, and $25,000 in cash were paid to the "Hospicio de Pobres," which were received by Messrs. Carpena, Trigueros and Dominguez, who composed the Board of Directors. All this is explained in the document No. 3.

In the course of time this claim passed to the house of Messrs. Garruste, Labadie & Co.

We will now look at the numerical result in the following Statement:

Paid in cash from February to July 1846.....	$616,625 00
Received up to the 21st. of January 1851.....	341,841 00
Amount advanced in cash on account of the Loan...	$274,784 00
Cash per amount paid as arrangement with Sr. Ramirez.....	25,000 00
Cost of $ 616,225 which were delivered in documents ("créditos") valued at 8 per Cent.....	49,298 00
Value of another sum of $ 100,000 in "créditos," also delivered by them.....	8,000 00
	$ 357,082 00
Received by the Custom House of Mexico and by various Maritime Custom Houses, from March 1851 to October 1854.....	$1.063,151 67
Balance of the whole liquidation, which was paid by the products of the export duties on silver in Vera Cruz, Tampico, and San Luis Potosí, from 1855 to 1857.....	61,135 80
	$ 1.124,287 47

DEMONSTRATION.

Owing to them in cash at the time of making the last arrangement.	$ 274,784 00	
Cost of the "crēditos" they delivered....	82,238 00	$ 357,082 00
Received in cash.....	$ 1.124,287 47	
Add for exchange at the medium rate of 4 per Cent. on $ 800,000 which it is calculated they would receive from the Custom Houses.	32,000 00	1.156,287 47
Difference in their favor.....		$ 799,205 47

Such was the negotiation which created the claim of the first French Convention, and which, after reading the preceding demonstration, requires no commentary. We ought to observe, that the practice of what we may call *voluntary right* continually suffers a change; and we say practice, because, unfortunately, the few regulations by which we should be guided are incessantly disregarded.

At the time these affairs were passing, the parties interested, when they felt themselves aggrieved, appealed to the Supreme Court of Justice, where, by means of distinguished advocates, the justice, the reasons for complaint, and the laws and doctrines on which each of the parties founded itself, were discussed and examined. The cases of Messrs. Martinez del Rio, Hargous, Raillard, and Serment & Co., not only substantiate this practice, but they also prove one fact, which is, that foreigners, not only in equality but even in preference to Mexicans, obtain justice whenever they look for it, and neither is there wanting the most celebrated Counsel to advocate their causes. At present, negotiators scarcely meet with the slightest difficulty with the Government, when they apply to the Minister Plenipotentiary, and a miserable matter of usury is turned into a question of peace or war.

Apart from these reflections, we believe that no one, with any justice, can say one sole word against Mexico, in relation to this affair. Capital was paid, interest was paid, everything was paid, required by the parties interested, who nearly trebled their funds in the average term of six years.

SECOND

FRENCH CONVENTION.

CLAIMS OF JECKER, TORRE & CO.

Messrs. Jecker, Torre & Co. were creditors of the Exchequer on account of various transactions and contracts, for the amount of 99 Thousand and odd dollars, and not conforming themselves with including their credit in the consolidation made of the Public Debt, by the law of the 30th. of November 1850, they commenced a suit against the Government, in the Supreme Court of Justice, and after the usual proceedings obtained a sentence in their favor on the 13th. of February of the same year. The Government being authorized by the decree of the General Congress of the 21th. of October, to regulate the payment of the amounts in their favor according to the sentence of the Court of Justice, the Minister Plenipotentiary of France made an arrangement with the Minister of Finance of the Republic (Document No. 5) by which the sum of $ 109,143 was recognized as due to the said house, which was to be paid by the part that was free to the Government of the import duties of the Maritime Custom Houses of San Blas, Mazatlan and Guaymas.

In compensation, Messrs. Jecker Torre & Co. desisted from all ulterior claims for damages and acknowledged themselves satisfied and contented with the said arrangement.

In consequence thereof, one sole order was given them by their own desire for the sum of $ 109,143 upon the Custom Houses already mentioned.

A political disturbance having taken place at Mazatlan, Messrs. Jecker Torre & Co. solicited a division of the order and that the amount thereof should be paid by different Custom Houses. The Government acceded to their request, and on the 16th. of October the General Treasury drew the following orders:

On the Maritime Custom House of San Blas.....			$ 10,000
Do.	Do.	Altata.....	10,000
Do.	Do.	Manzanillo.....	20,000
Do.	Do.	Guaymas.....	4,143
Do.	Do.	Vera Cruz.....	65,000
		Total.....	$ 109,143

Since the emission of these orders, no other solicitation or pretension appears amongst the documents, therefore these amounts were gradually paid up, until the whole amount was covered.

CLAIM OF JULIO RAILLARD.

Don Julio Raillard, a French subject, had a contract from the year 1845 to 1850 for military clothing. This claim ought to have entered into the consolidation of the debt made by the law of the 30th. of November 1850, but the party interested, not conforming himself to this arrangement, he appealed to the Supreme Court of Justice and obtained a sentence in his favor on the 4th. of February 1853.

Therefore, the Government, ordered two certificates for the value of $ 70,383 93 to be given him, payable by the part that remained free of the "circulation" duties. These certificates were redeemed gradually, until the account was completely settled.

This affair, that of Serment, and that of Jecker, indicate the steps taken by foreign subjects, when they have not conformed themselves with the decisions of the Government in the matter of contracts, which shows that before appealing to their Legations, they have applied—as was natural—to the Tribunals of the country, and, perhaps, not a single case can be cited in which justice has not been administered to them.

THIRD

FRENCH CONVENTION.

VARIOUS CLAIMS.

The third French Convention, dated the 30th. of June 1853, (Document No. 6), does not proceed (as the heading indicates) from the claims of one sole house or commercial association, who, having made a banking transaction, or acquired claims of persons of various nationalities, had obtained a sentence in its favor from the Court of Justice, as in the case of Martinez del Rio; or a favorable arrangement with the Government, like Serment & Drusina; but arises from the claims of different individuals, generally just, and for the liquidation and payment of which, clear and distinct rules were made, founded on a basis of equity and justice, that took into consideration the state of the Mexican Exchequer, and at the same time procured the maintenance of the value of the Bonds or Stock emitted on making the Convention; which value augmented in proportion as their redemption was effected. Amongst the many and various stocks issued by the Mexican Government, none have attained a higher price

in the market than those of the French Convention, in spite of the divers and afflictive circumstances in which the Republic has found itself.

The Bonds or Stock of the National Debt, have been worth from 4 to 12 per Cent.

The Mexican Bonds in London have been worth from 30 to 40 per Cent.

Those of the English Convention, from 50 to 70 per Cent.

But the French Bonds have been sold at from 90 to 98 per Cent and at par, exactly at the time when two Governments existed and when the country was in a complete state of *civil war*.

All this,—notwithstanding what may be said to the contrary, and the absence of difficulties in the celebration of the Convention, in its liquidation, and in carrying out its payment,—indicate that when arrangements of this and any other nature are made in good faith, with equity and with justice, they are exempt from the contradictions and difficulties naturally involved in those that have from their origin, an irregular and entangled construction.

Notwithstanding the apparent quick temperament of Mr. Levasseur, we may say, without offence to any one, that he is one of the diplomatic characters who has conducted himself with the greatest good-will towards Mexico; endeavouring to defend and protect the rights of his countrymen without exaggerations, and without the injuries that have arisen to the Mexican Government in other matters, probably of less moral-importance than the whole of those that form the present Convention. Little or nothing more have we to add.—The claims commenced on account of the debt contracted by the Government with Mexicans and Foreigners, from having called in the copper coin which was circulating to an amount of more than 6 millions of dollars. The French, whose trade is very extensive, held an abundance of the Bonds issued by the Government at the time of calling in the copper, and went to their Legation, depositing more than 800,000 dollars of this Stock. This affair and sundry other trifling claims, rendered an arrangement necessary, which was concluded after various conferences in the Convention now named. The Commissioners conducted themselves with the greatest integrity, and their liquidations form the best and most faithful history that could be desired of the legal origin of these demands. We give a copy of this interesting document, which will be found under letter A.

The document B, shows the perfect order with which the Conversion of these claims was made.

In conclusion, the document C, indicates the amount to which the Bonds, issued for the Conversion, ascended ; as also that of the Bonds redeemed in the periodical auctions made with the funds set apart in the Maritime Custom Houses.

The Balance which appears, up to date, against the General Treasury of Mexico, is only some 190 thousand and odd dollars, so that we are enabled to present to the Emperor of the French an example of three Conventions paid with all scrupulosity ; leaving up to now, but an insignificant balance, for the settlement of which the Government has made various propositions to the house of Messrs. Martin, Daran & Co. In the face of these antecedents, the injustice involved by the presence of the French arms in our country, is especially remarkable, when France is the nation with which Mexico has best complied, and towards which she entertains the most lively sympathies.

XXIX

A.

Operations of the Commission of Liquidation.

In virtue of the 3rd article of the Convention, inserted under Number 6, a Commission was named for the liquidation of the French claims, composed in the first place of Messrs. José Arriola, Manuel María Canseco, and Manuel J. de Lizardi, and afterwards of Messrs. Juan Rondero, Luis Varela, and Luis Peña. This Commission immediately proceeded to revise and liquidate the various claims presented by the French Legation, belonging to French subjects, who considered themselves to have the right of participating in the terms established by the said Convention, and in consequence, and after a scrupulous and conscientious examination the Commission rejected some of the claims as inadmissible, and recognized others which were in their opinion legitimate and in accordance with the bases of the Convention; the following claims being admitted and ordered to be converted in Bonds, in payment of their primitive capital, with the interest due at the rate of 6 per Cent. per annum up to the date of the liquidation, as stipulated by the 4th article of the aforesaid Convention.

1	Pablo Berges, claims for the non-payment of two orders drawn upon the Maritime Custom-houses, proceeding from a contract made with the Government, by which 50 per Cent. in cash was delivered to the Treasury, and 50 per Cent. in "credits" for $ 37,150, and interest $ 18,506 78.....		$	55,656 78
2	Cesario Lataillade, claims for sums of money and goods supplied in 1846 to the Military Commandant of Upper California.....	27,083 62		
	Interest.....	11,864 79		
				38,948 41
	Forward..... .....$			94,605 19

	Forward.....$		94,605 19
8	J. Garruste & C.°, claim for non-payment of an order given in their favor on the 23rd. June 1845, upon the Maritime Custom-House of Tampico...	10,000 00	
	For interest.....	5,661 87	
	For non-payment of.....	840 00	
	Balance of $ 900 paid to the Custom-House of Mexico in 16th. January 1847, for exporting $ 15,000 at Veracruz, and interest thereon.....	396 57	16,897 94
4	Adoue, Brothers, claim for advances made to the Custom House of Vera Cruz, on account of the 6 per Cent. export duties	1,939 17	
	Interest.....	652 50	2,591 87
5	Guillarmod Neron & C.° claim for non-payment of an order given on the 24th. of January 1846, in favor of the houses of Serment and Drusina, upon the Custom-House of Mexico.....	40,000 00	
	Interest.....	18,983 01	58,983 01
6	Serment P. Fort & C.° claim for a sum proceeding from the loan of $ 600,000 negotiated on the 6th. of November 1845, 50 per Cent. in cash 50 per Cent. in "creditos".....	142,220 44	
	Various certificates and orders, unpaid.....	71,968 89	
		214,189 33	
	Interest on this sum.....	104,062 97	318,252 30
7	Vinet & Delhumeau, claim for non-payment of a certificate of the Custom-House of Vera Cruz, proceeding from advances made on account of the 50 per Cent. of import duties.....	4,000 00	
	Interest.....	1,925 91	5,925 91
	Forward.....$		497,255 72

	Forward.....	$	497,255 72
8	François Girardet, claims for the price of 100 loads of flour sold to the garrison of Sonora, on the 7th of August 1843.....	1,200 00	
	Interest.....	768 52	1,968 52
9	Estevan Soubervielle, claimed for hire of the waggons contracted in 1847, for the campaign against the North American Army, and for those missing.....	28,000 00	
	Interest.....	10,696 76	88,696 76
10	J. Garruste & C.° claimed for the part still pending of an order for $ 200,000 drawn on the 17th. April 1846, upon the Maritime Custom-House of Mazatlan, proceeding from a contract made at 50 per Cent. in cash and 50 per Cent. in "creditos".....	127,937 18	
	Interest.....	66,772 66	194,709 84
11	Pedro Capdevielle, claimed for the value of timber and other materials supplied for the repairs of the Castle of San Juan de Ulua in 1854.....	7,076 42	
	Interest.....	2,931 93	10,008 35
12	Antonio Villard, claimed for amount of work done, as an Architect, in the National Palace.....	7,912 75	
	Interest.....	8,629 01	16,541 76
18	Luis Berlandier, claimed for the amount of a contract for medicines supplied to the Military Hospital of Matamoros in 1846.....	1,209 37	
	Interest.....	565 37	1,774 74
	Forward.....	$	760,955 69

	Forward.....	$	760,955 6
14	Fort & Cavalier, claimed for non-payment of seven orders drawn as follows:		
	In favor of Luis Fort & José Cavalier, on the 27th. December 1845, upon the Custom-House of Mazatlan.....	20,000 00	
	On the 1st. of December 1846, upon the Custom-House of Vera Cruz, 3 orders of $ 10,000.....	30,000 00	
	On the 8th. of December 1846, upon the Custom-House of Mazatlan 2 orders, one of $ 5,000 and the other of $ 4,000.....	9,000 00	
	And on the 27th. of December 1846, an order on the said Custom-house of Mazatlan.....	3,750 00	
		62,750 00	
	Interest.....	28,752 37	91.502 8
	This claim was presented by L. A. Faulat.		
15.	Mauricio O'Lombell, claimed for non-payment of 3 Certificates of the General Treasury, issued on the 23rd. of December 1846, for.....	42,381 19	
	On the 4th. of May 1847, for.....	7,717 98	
	And on the 24th. of April 1847, for.	5,000 00	
	In favor of Serment P. Fort & Co. and Wm. Drusina & Co., which make a total of.....	55,099 17	
	proceeding from the contract of.... $ 600,000 made on the 6th. of December 1845, with these houses, at 50 per Cent. in cash and 50 per Cent. in credits, and for interest....	27,706 58	82,805 75
16	Jecker, Torre & Co., claim.....	677 00	
	For non-payment of an order given on		
	Forward.....$	677 00	935,263 81

	Forward.....$	677 00	935,263 81
	the 14th. of August 1851, against the "Gefe Superior de Hacienda" of the State of Zacatecas, in favor of Montgomery, Nicod & Co., of which house Mr. J. B. Jecker was the liquidating partner	10,000 00	
	For non-payment of an order of 26th. of June 1847, against the Governor of the State of Jalisco.....	15,000 00	
	For non-payment of another order of the same date against the aforesaid Governor, making a total of...	25,677 00	
	Interest.....	11,576 71	37,253 71
17	Jules Raillard, claimed for the value of 600 saddles delivered in April 1847, for the service of the army.....	10,800 00	
	Interest.	4,686 90	15,486 90
18	Lorenzo Castrillon, claimed for balance of the carriage of powder from Vera Cruz to Mexico.....	1,351 50	
	Interest	93 97	1,445 47
19	Antonio Barick, claimed for the amount of clothing furnished in 1846, to the troops of the Republic in California.	8,567 25	
	Interest	4,162 93	12,730 18
20	Francisco Alt, claimed for a balance owing him for work done in 1847, in the artillery arsenal.....	133 50	
	Interest.....	63 85	197 35
21	Jecker, Torre & Co., claimed for non-payment of the rest of an order of $12,162 given on the 5th. of December 1846, in favor of Mr. Magnan against the Tobacco Co., which should		
	Forward.....$		1.002,877 42

	Forward.....		$ 1.002,377 42
	have been paid on account of secret expenses of the Department of Foreign Affairs	6,081 00	
	Interest.....	3,688 58	9,769 58
22	M. Dessaché, claimed for a balance pending on the amount of provisions supplied by him to the Government troops in 1843.....	1,200 50	
	Interest.....	965 79	2,166 29
23	Juan Vivent, claimed for amount of a Bond of the copper money, issued in his favor. No. 1886.....	500 00	
	Interest.....	245 70	745 70
24	Pedro Bergés de Zúñiga, claimed for amount of 27 Bonds of the old copper money	129,000 00	
	And for interest on said Bonds, and value of other "creditos" of said Bergés	66,581 87	195,581 87
25	Jecker, Torre & Co., claimed for non-payment of an order given by the General Treasury on the 26th. of June 1847, upon the Governor of the State of Jalisco	15,000 00	
	Interest	9,813 70	24,813 70
26	Baron Alleye de Ciprey, claimed for amount of 6 Bonds of the old copper money.....	19,000 00	
	Interest	11,882 76	30,882 76
27	J. Garruste, Labadie & Co., claimed for 24 Bonds of the old copper money..	67,475 12	
	Interest	35,631 03	103,106 15
	Forward.....		$ 1.369,443 47

	Forward..... .....$		1.369,443 47
28	Serment & Fort, claimed for amount of Bonds of the old copper money.....	2,500 00	
	Interest	1,234 16	3,734 16
			$ 1.373,177 63
	Note.—The Bonds issued for the payment of the claim of Luis Berlandier having been mislaid before being delivered to him, a new emission was made for $1,750, which is added to the capital recognized in the Convention		1,750 00
	Total capital recognized in the French Convention....		$ 1.374,927 63

B.

Enumeration of the Bonds of the French Convention delivered to the Creditors.

To P. S. Bergés.					
Nos.	2. to 12.	of.....	$ 5,000	$ 55,000	
„	2.	of.....	500	500	
„	5.	of.....	100	100	
„	2.	of.....	50	50	
					55,650
To Cesario Lataillade.					
Nos.	13. to 18.	of.....	5,000	30,000	
„	8. „ 15.	of.....	1,000	8,000	
„	3.	of.....	500	500	
„	6. „ 9.	of.....	100	400	
„	1.	of.....	25	25	
					38,925
To J. Garruste & Co.					
Nos.	19. to 21.	of.....	5,000	15,000	
„	16.	of.....	1,000	1,000	
„	4.	of.....	500	500	
„	10. „ 12.	of.....	100	300	
„	3.	of.....	50	50	
„	2.	of.....	25	25	
					16,875
To Adoue Brothers.					
Nos.	17. to 18.	of.....	1,000	2,000	
„	5.	of.....	500	500	
„	4.	of.....	50	50	
„	3.	of.....	25	25	
					2,575
To Guillarmod & Co.					
Nos.	22. to 32.	of.....	5,000	55,000	
„	19. „ 21.	of.....	1,000	3,000	
„	6.	of.....	500	500	
„	18. „ 16.	of.....	100	400	
„	5.	of.....	50	50	
„	4.	of.....	25	25	
					58,975

To SERMENT FORT & Co.

Nos.	1. to 3.	of.....	20,000	60,000	
„	1. „ 25.	of.....	10,000	250,000	
„	1.	of.....	5,000	5,000	
„	1. „ 3.	of.....	1,000	3,000	
„	1. & 2.	of.....	100	200	
„	1.	of.....	50	50	
					318,250

To G. DELHUMEAU.

Nos.	33.	of.....	5,000	5,000	
„	7.	of.....	500	500	
„	17. to 20.	of.....	100	400	
„	5.	of.....	25	25	
					5,925

To FRANCOIS GIRARDET.

Nos.	22.	of.....	1,000	1,000	
„	8.	of.....	500	500	
„	21. to 24.	of.....	100	400	
„	6.	of.....	50	50	
					1,950

To ESTEVAN SOUBERVELLE.

Nos.	34. to 40	of.....	5,000	35,000	
„	23. „ 25	of.....	1,000	3,000	
„	9.	of.....	500	500	
„	23.	of.....	100	100	
„	7.	of.....	50	50	
„	6.	of.....	25	25	
					38,675

To J. GARRUSTE & Co.

Nos.	4. & 5	of.....	20,000	40,000	
„	26. to 40.	of.....	10,000	150,000	
„	4. „ 7.	of.....	1,000	4,000	
„	1.	of.....	500	500	
„	3. & 4.	of.....	100	200	
					194,700

To PEDRO CAPDEVIELLE.

Nos.	41. & 42.	of.....	5,000		10,000

To ANTONIO VILLARD.

Nos.	43. to 45.	of.....	5,000	15,000	
„	26.	of.....	1,000	1,000	
„	10.	of.....	500	500	
„	7.	of.....	25	25	
					16,525

To Luis Berlandier.

Nos.	114.	of.....	50	50	
„	272. & 273.	of.....	100	200	
„	68.	of.....	500	500	
„	219.	of.....	1,000	1,000	
					1,750

To Cavalier & Fort.

Nos.	46. to 63.	of.....	5,000	90,000	
„	28.	of.....	1,000	1,000	
„	12.	of.....	500	500	
					91,500

To Mauricio O' Lombell.

Nos.	64. to 79	of.....	5,000	80,000	
„	29. & 30	of.....	1,000	2,000	
„	13.	of.....	500	500	
„	28. to 30	of.....	100	300	
					82,800

To Jecker Torre & C.°

Nos.	80. to 86	of.....	5,000	35,000	
„	31. „ 32	of.....	1,000	2,000	
„	31. „ 32	of.....	100	200	
„	9.	of.....	50	50	
					37,250

To Julio Raillard.

Nos.	87.	of.....	5,000	5,000	
„	33. „ 40	of.....	1,000	8,000	
„	14. „ 17	of.....	500	2,000	
„	33. „ 36	of.....	100	400	
„	10.	of.....	50	50	
„	8.	of.....	25	25	
					15,475

To Lorenzo Castrillon.

Nos.	41.	of.....	1,000	1,000	
„	39.	of.....	100	100	
„	40.	of.....	100	100	
„	37. & 38	of.....	100	200	
„	9.	of.....	25	25	
					1,425

To Carlos Barick.

Nos.	88. & 89	of.....	5,000	10,000	
„	42. & 43	of.....	1,000	2,000	
„	18. „	of.....	500	500	
„	41. & 42	of.....	100	200	
„	10.	of.....	25	25	
					12,725

To Francisco Alt.

A credit was recognized to him of.....				19,735 00
and there is no notice of the numbers of the Bonds belonging to him.				
To J. B. Jecker & Co.				
Nos.	44. to 140. of.....	100 00	9,700 00	
„	12. of.....	50 00	50 00	
				9,750 00
To M. Dessaché.				
Nos.	141. to 161. of.....	100 00	2,100 00	
„	13. of.....	50 00	50 00	
				2,150 00
To Juan Vivent.				
Nos.	162. to 167. of.....	100 00	600 00	
„	14. of.....	50 00	50 00	
„	21. of.....	25 00	25 00	
	A certificate.....	11 04	11 04	
				686 04
To Pedro Berges de Zuñiga.				
Nos.	584. to 605. of.....	5,000 00	110,000 00	
„	289. of.....	2,000 00	2,000 00	
„	546. of.....	500 00	500 00	
„	628. & 629. of.....	100 00	200 00	
				112,700 00
To do.				
Nos.	6. to 10. of.....	20,000 00	100,000 00	
„	43. 50. of.....	10,000 00	80,000 00	
„	217. 240. of.....	100 00	2,400 00	
„	15. 110. of.....	50 00	4,800 00	
„	22. 70. of.....	25 00	1,225 00	
				188,425 00
To do.				
Nos.	176. of.....	5,000 00	5,000 00	
„	213 & 214. of.....	1,000 00	2,000 00	
„	267. of.....	100 00	100 00	
„	113. of.....	50 00	50 00	
„	A certificate.....	6 87	6 87	
				7,156 87
To Jecker, Torre &. C.°				
Nos.	41. &. 42 of.....	10,000 00	20,000 00	
„	168. to 182 &. 184 to 216.....	100 00	4,800 00	
				24,800 00
To baron Alleye de Cyprey.				
Nos.	113. &. 114 of.....	5,000 00	10,000 00	
„	120. of.....	1,000 00	1,000 00	
				11,000 00

To DO.					
Nos.	161. to 163.	of.....	5,000 00	15,000 00	
„	171. to 176.	of.....	1,000 00	6,000 00	
„	51. to 62.	of.....	500 00	6,000 00	
„	241. to 259.	of.....	100 00	1,900 00	
„	A certificate	of.....	11 75	11 75	
					28,911 75
To JUAN VIVENT.					
No.	112.	of.....	50 00	50 00	
	A certificate	of.....	9 66	9 66	
					59 66
To J. GARRUSTE LABADIE & Co.					
Nos.	164. to 175.	of.....	5,000 00	60,000 00	
„	178. to 212.	of.....	1,000 00	35,000 00	
„	264. to 266.	of.....	100 00	300 00	95,300 00
To DO.					
Nos.	177.	of.....	5,000 00	5,000 00	
„	215. & 216.	of.....	1,000 00	2,000 00	
„	64.	of.....	500 00	500 00	
„	268. & 269.	of.....	100 00	200 00	
„	71. to 74.	of.....	25 00	100 00	
	A certificate	of.....	6 15	6 16	7,806 15
To BARON ALLEYE DE CYPREY.					
Nos.	177.	of.....	1,000 00	1,000 00	
„	63.	of.....	500 00	500 00	
„	260. to 263.	of.....	100 00	400 00	
„	111	of.....	50 00	50 00	
	A certificate	of.....	12 01	12 01	1,971 02
To DO.					
No.		of.....	25 00	25 00	
	A certificate	of.....	7 76	7 76	32 76
To SERMENT & FORT.					
Nos.	217. & 218.	of.....	1,000 00	2,000 00	
„	65. to 67.	of.....	500 00	1,500 00	
„	270. to 271.	of.....	100 00	200 00	
„	76.	of.....	25 00	25 00	
	A certificate	of.....	9 16	9 16	3,784 16

NOTE.—The following Bonds were issued to Luis Berlandier on the 31st. of January 1855, and were lost, and afterwards appeared in the hands of D. Sinforiano Sobrino, (less one of $ 50) who recovered them on the 12th. of May 1856.

Nos.	27.	of.....	1,000 00	1,000 00	
„	11.	of.....	500 00	500 00	
„	26. & 27.	of.....	100 00	200 00	
„	8.	of.....	50 00	50 00	1,750 00

Mexico, April 10th. 1862.—*P. G. Cardeña.*

C.

CAPITAL ACCOUNT.

Capital of the French Convention liquidated and recognized...	$ 1.374,927	63
Value of the Bonds issued.....	1,374,614	60
Still to be issued in payment of certain fractions of Capital that were not considered, the amount of.....	313	03
Amount of Bonds issued.....	1.374,614	60
Amount of Bonds redeemed.....	1.183,769	57
Balance in favor of the Bondholders.....	190,845	03

THE JECKER BONDS.

Mexico has paid her various French creditors by means of the three Conventions referred to in the preceding pages, and as, of all that debt, there only remains an insignificant balance of some 190,000 dollars it would appear that the ostensible motive of the conduct observed by France towards Mexico is the affair known as the Jecker Bonds. The moral interest involved in this business, independent of the positive amount it represents, obliges us to elucidate the matter with all possible clearness.

The interior Debt of Mexico was represented by a Consolidated Fund of 3 per Cent. In January 1858 there were about 11.000,000 of Bonds of this Fund existing in the General Treasury, destined to the gradual Conversion of the amounts claimed by the various parties interested, for the credits specified in the law of the 30th. of November 1850.

On the 16th. of July 1858, Don Carlos Peza, who was acting as Minister of Finance under the Government of Miramon, issued a decree authorizing the emission of a new Fund of 80.000,000 of dollars, some with interest at 6 and 12 per Cent. and others without any interest at all. The essential object of these Bonds was to pay, with a part of them, a general contribution, established by the same law,—to convert the 3 per Cent. Bonds,—and to pay the overdue

interest dividends. In the course of time these Bonds were pledged or sold for the price of 5, 4, 1½, 1, and even ½ per Cent. The Bonds of the old consolidated Fund of 3 per Cent. were also taken out of the Treasury and pledged or sold at a wretched price, so that all this enormous amount of debt was thrown upon the market, without redeeming in its place (with very few exceptions, which have been justly taken into consideration by the Constitutional Government) any of the legal stock or liquidated documents known as the floating debt.

These Bonds have been known in the market under the denominations of *Peza Bonds*, and *Surreptitious Bonds of Zuloaga*. The circulation of one and the other is *absolutely illegal*, not only because they emanated from the reactionary Government, which usurped the public power in the Capital, but because, in the body of the bonds themselves the decrees for their creation are inserted, and these decrees designate the object of this *paper*, and the mode and terms in which they should be put into circulation; and none of the parties who have speculated in them can have doubted for one moment, as to whether the preposterous and scandalous transactions entered into by the reactionary Ministers of Finance in this capital, in respect of these bonds, were authorized by any law whatever, when the decrees for their creation clearly pointed out their character and object.

As the emission and conversion of the Jecker Bonds were, to a certain degree, connected with these operations, because the house of Jecker exchanged the greater part of the Peza Bonds in the Treasury for the new ones that bore their name, it has been necessary to give a succinct idea of the origin and nature of this Stock which, (whatever may be the value it is calculated at, and the arrangement that may be made hereafter, to free the market from this motive of scandal and future speculations) ought to be considered as a purely domestic matter, and the Government will commit an egregious error if it should admit one single diplomatic note in relation to this subject.

We will now occupy ourselves with the Jecker affair.—On the 29th. of October 1850, the reactionary Government published a decree, by which the issue of a new *National* Stock was ordered (as none of the articles of the decree, nor any of the other measures then dictated, inferred that it could bear the character of a foreign debt).

This Stock was to be for the sum of 15.000,000 of dollars, represented by Bonds of different amounts, bearing an annual interest of 6 per Cent. payable half-yearly.

The interest of 6 per Cent. was guaranteed—one half by the house of Jecker—and the other half by the General Treasury, which latter carried out this guarantee, by receiving these Bonds with their due coupons in payment of 20 per Cent. of all the Government imposts ("rentas") whichwere *in their form* central or dictatorial, but *in substance* were only recovered in the capital of Mexico and in some few of the Provinces, which were continually being lost and retaken. This remark is of much importance and should be borne in mind.

We do not know if it happens the same in all parts of the world, but in Mexico at least, matters of business never are what they are represented, nor are they carried out, continued, or realized as they appeared in the beginning, but suffer more metamorphoses than those of Ovid. And this arises on account of speculators knowing their ground; availing themselves of the most trifling and insignificant occurrences to vary and modify matters as suits their interests. Let it not be said that these changes always proceed from the Government, because the modifications to which the present affair was subjected, were precisely owing solely to the mercantile combinations of the house of Jecker.

To comprehend this affair perfectly, (which, to speak the truth, is one of the most scandalous transactions since the time of the Independence) it is necessary to follow it up in all its phases and transformations, and thus be enabled to deduce, approximately, the cash outlay of the house, and the responsibilities which the Government may be under. We are not of the opinion that Government should take Messrs. Jecker's money or the money of any one else, but we are very far from agreeing that Government should sacrifice itself to such a disgraceful speculation, (which also has many inconveniences for a house that possesses property and connections in this country, and holds some of the best revenues of the Exchequer), – and that year after year the consequences should be felt of an operation by which a few thousand dollars only were thrown into the Treasury, to carry on a cruel and fratricidical war.

It may be certain, that to those who carry on the business of Bankers, the contentions and horrors of a country are of very little importance, but it is necessary to observe that foreigners ought to be entirely neutral, otherwise they may be involved in the risks and

		Forward.....			$ 2.520,000	4.500,000	15.000,000
8th.	do.	„	„	8 „	240,000		
9th.	do.	„	„	7 „	210,000		
10th.	do.	„	„	6 „	180,000		
11th.	do.	„	„	5 „	150.000		
12th.	do.	„	„	4 „	120,000		
13th.	do.	„	„	3 „	90,000		
14th.	do.	„	„	2 „	60,000		
15th.	do.	„	„	1 „	30,000		3.600,000
		Total.....			$	4.500,000	18.600,000

The result of the operation, if it had been managed in strict conformity with the decree referred to, would have been that shown by this account, or, to sum up, Four Millions and a half in cash would have cost in eight years the sum of Fourteen Millions and a half, payable by the fifth part of all the revenue.

This transaction, deprived of all embellishment and display, was nothing more than a banking operation, by means of which the reactionary Government issued Stock for Fifteen Millions of dollars, at 6 per Cent. interest, to be redeemed in eight or ten years, and offered it for sale it in the market at the price of 25 per Cent., or which is the same, took 3.750,000 dollars at 32½ to 33 per Cent. annual interest.

Well, this operation should have been effected in the manner indicated; but such was not the case, as, in order to carry out the Conversion decreed, Messrs. Jecker & Co. presented their propositions which we will now analyze.

THE JECKER AFFAIR

If it had been carried into effect according to the proposals made by their house on the 29th. of October 1859. [*Document A*].

	DEBIT.	CREDIT.
Total amount to have been delivered to the Treasury for "refaccion" of 25 per Cent. (average rate) on $15.000,000	3.750,000	
Value of 15 millions in Peza Bonds, redeemed at 4 per Cent. (average rate)	750,000	
	$ 4.500,000	
CHARGES.		
Messrs. Jecker & Co., Commision of 5 per Cent. .. $	750,000	
Deposit of 10 per Cent. in their house, for the payment of the 3 per Cent. interest	1.500,000	
Brokerage	150,000	
Printing Bonds	12,000	2.412,000
Net amount for the Treasury..... $		2.088,000
Deduct the imaginary value of the Peza Bonds		750,000
Cash amount of the proceeds of the transaction ..... $		1.338,000
Amount of the new Stock redeemable..		$ 15 000,000
3 per Cent. which the Government had to cover for fifteen half-years		1.800,000
	$ 1.338,000	$ 16.800,000

The result of the operation, if it had been effected in entire conformity with the bargain made by Mr. Jecker, and if it has been carried out without interruption, would have been as shown in this account, or, to sum up, $2 088,000 would have cost in 8 or 10 years the sum of $16.800,000, or, what is the same, a sum of a little more than 2 millions of dollars would be received at 56 to 57 per Cent. of annual interest.

These are nothing more than calculations formed upon the bases of the decree and contract, as the liquidation of interest might vary considerably according to the dates and sums of the redemptions; but allowing the taking away or augmentation of such figures as may be desired, the general operations will, in substance, remain the same. The difference might amount to Five or Six Hundred Thousand dollars, more or less, and this would not alter the very grave consequences of this emission.

But the most singular fact is, that the business was not realized, neither according to the first proposition of the house of Jecker, but by means of partial contracts presented by that house to Government, as the public did not participate in the conversion, except to a very insignificant amount; therefore it was completed, full and voluntarily, on the part of Jecker, with the alteration of the bases of the decree and even those of his first proposition, in the form and mode of delivering the money.

The first contract for "refaccion" proposed by the house of Jecker to the Government, was on the 27th. of October, that is to say, two days previous to the publication of the decree. (Document B).

The second contract, presented by his nephew and partner, Don Julio Borneque, was dated the 26th. of January 1860. (Document C)

And the third presented by the same person was dated the 13th. of March of the same year. (Document D).

In virtue of these contracts, the house converted the Peza Bonds, and took the new Stock in the following proposition:

Converted by the first contract.....	$	2.000 000 00
Do. J. Borneque the second do.....		6 000,000 00
Do do. the third do.....		6.241,611 17
	$	14.241,611 17
Brokerage paid to Don Clemente Caricaburu.....		150,000 00
Converted by various.....		609,338 83
Total equivalent to the Stock issued.....$		15.000,000 00

On the 9th. of November 1839, a decree was published (Letter E), by which the series, values and numbers of the Bonds were regulated, and which were to be printed for account of the Government, and were delivered to the afore-named house of Jecker & Co., who immediately offered them for sale to the public, and the latter gave them in payment of contributions and duties in the proportion of 20 per Cent. The Collector's offices passed the Bonds over to the Treasury, where the cancellation was effected. It must be observed that these Bonds circulated in the Capital and a few Departments alone, as the ports were all occupied by the Constitutional Government, which never learnt or knew anything, officially, of such a contract.

The following Statement shows how this new Convention was carried into effect by means of the contracts to which we have referred.

Note of the terms in which the house of J. B. Jecker &. Co. of Mexico, made the Conversion ["*refaccion*"] *of* $14 211,611 17 *of the so called Peza and Zalouga Bonds, in exchange for an equal sum it received in those created by a Decree of the reactionary Government.*

	In cash.	Bonds introduced as cash.	Orders upon the Custom-Houses introduced as cash.	Military clothing and equipments.	TOTAL.
Delivered according to the contract of October 1859.....	100,000	30,000	„	70,000	200,000
Delivered by J. Borneque acccording to the contract of 28th. January 1860.....	210,000	92,000	„	298,000	600,000
Do. do. acording to the contract of 3rd. March.....	413,020	124,750	100,000	„	637,770
	$ 723,020	246,750	100,000	368,000	1.437,770

The preceding note is formed in entire conformity to the propositions of the house of Jecker, as per documents A. B. &. C., and notwithstanding, at the time of making the payments to the Treasury, other sums in credits or Bonds were introduced, so that it may be said that this is the fourth modification or variation the affair has

undergone. The result presented by the liquidation of the General Treasury is the following:

Cash delivered by the house of Jecker..... ...$	618,927	83
Common Bonds of 3 &. 5 per Cent.....	342,000	00
Peza Bonds.....	30,000	00
Jecker Bonds, (those of their contract).....	24,750	00
Orders on the Custom Houses.....	100,000	00
In military clothing.....	368,000	00
n various "credits" and payments.....	6,750	56
$	1.490,428	39

It is here seen that the total sum delivered was increased, but the cash part, offered in their first propositions was diminished, and these propositions were subsequently modified by the Government. A slight difference also occurs in the amount of the Bonds introduced by Jecker, and those which appear in the Treasury accounts; but this difference is of no importance, as it only reduces a little, the amount received in cash by Jecker for the conversion effected by private individuals.

We have pointed out these differences on purpose, that they should serve as a comparison and give evident proof that these are really what may be termed usurious transactions, in which the profits always run parallel with the risks.

It is now easy to perceive the difference between the Conversion ord ained by the decree of the 29th. of October 1859, and that effected by the house of Jecker, by which only $618,927 was received in cash, and $368,000 in military clothing; but even supposing the most favorable case for the Government, that all the sums delivered by Jecker were considered as cash, and that the six millions of Peza bonds should have cost them 5 per Cent, this would show us, that for $2.187,770 the reactionary Government gave up 20 per Cent. of the revenues for ten years, until the 15 millions of Stock given to Jecker were redeemed, and, moreover, 3 per Cent. interest, which should also be covered in fifteen half-yearly instalments and which would amount to at least 1.800,000 dollars.

It will be noticed that no sum whatever is placed to the credit of the Government for interest, as should have been the case, from the fact that Jecker &. Co. on receiving the 14 millions, retained from the moneys produced by the Conversion of bonds 5 per Cent. for-

heir commision, and 10 per Cent. for the payment of the interest, *for which they were responsible:* it was natural that when the Government redeemed a Bond, the house *should return* all the 10 per Cent. it had held *in deposit*, appertaining to that Bond, or at least such surplus part as might remain, if in any half-year the public should have been paid. Nothing of this occurred ;— by the payment of one half-yearly dividend, the house considered itself freed from all obligation, and, therefore, remained with 8½ per Cent., besides the 5 per Cent. commission. This was the pretension made by the house and which it sustained at the time of effecting certain liquidations for interest in the Treasury, and the Government upon being consulted, did not decide upon the question, except with regard to the date from which the interest should be calculated.

Although we may not be able to proceed with every exactness, from not being able to ascertain the outlays the house of Jecker might have to incur in this business, we can form, a little more or less, a mercantile calculation, bearing in mind that neither Mr. Caricaburu's brokerage, nor the printing of the Bonds were for account of Messrs. Jecker &. Co. but on that of the Government.

Calculation of the cash cost of the affair known as that of the Jecker Bonds.

Cash paid into the Treasury, including the drafts paid to Portilla for the purchase of the vessels of Marin...			$ 618,927
Market price of $ 222,000 of the 3 & 5 per Cent. Bonds at 6 per Cent.....			13,320
Do.	of $ 24,750 in Jecker Bonds at 30 per Cent.....		7,425
Do.	of $ 100,000 in orders upon the Custom-Houses at 50 per Cent.....		50,000
Do.	of $ 368,000 in military clothing.....		368,000
Do.	of $ 14.378,700 of Peza Bonds which were employed in the "refaccion" at 5 per Cent.....		718,935
			$ 1,776,607
Less: Value of $ 554,127 in Bonds, realized by Jecker at 30 per Cent.....		$ 166,238	
10 per Cent. retained in deposit, of $ 621,300 of Bonds converted by the public.....		62,130	228,368
	Cash outlay.....		$ 1,548,235

As this is only a calculation, we repeat it is not to be surprized at if there should be some inexactitude, but, in any case, we have not to take too low prices for our basis. The 3 per Cent. Bonds are calculated at the price of 6 per Cent, when it is well known that in the Market they are sold at 5 & 6 per Cent. including the coupons for interest overdue, which the general Treasury liquidates along with the capital; which makes a difference of 20 to 22 per Cent. in favor of the purchaser.

It is known that in military clothing and equipments, a profit of from 25 to 30 per Cent. is made. Notwithstanding, that delivered by Jecker, we have considered at its full value.

The orders upon the Custom Houses delivered to the Treasury by the house, were not directly theirs, but belonged to the late Count de la Cortina; thus they cannot be considered as cash, because it is certain that they did not cost Jecker, even so much as the price we have fixed for them. But even supposing they should be considered as cash, this would make a difference of about $ 50.000, and in that case, the transaction cannot, in round numbers, have cost above $ 1.600,000.

The Peza Bonds given in for Conversion, are calculated at 5 per Cent. it being the case that, according to the Treasury books, Messrs. Jecker & Co. bought from the Government, for a separate affair, Six millions of Peza Bonds at 2 per Cent. Neither have we taken into consideration the over-due dividends which the Treasury redeems the same as the capital. We make all these remarks to demonstrate that our calculation is neither unfavorable to the house of Jecker nor is it unfounded in equitable bases.

Allowing that it may be decreased or increased 2 or 3 hundred thousand dollars, the principal object will have been attained, which is, that in Europe, where an affair of 75 millions of francs is spoken about, the matter shall be estimated in its true value and with all its details and circumstances.

We have hitherto considered this business in a mercantile manner: we now have to make another class of observations, which, if elucidated with proper reflection, are of very serious nature.

The house of Jecker & Co., claims the fulfilment *of a contract*, and by the documents we have inserted, one of two things occurs: Either the contract is innovated from the beginning and is entirely opposed to the bases of the decree by which it was authorized, or there has

been a series of varibus contracts wihch may be classified under those called by the jurists *bilaterales.* *

If it be considered as one sole contract, (which is inexact, not to say absurd), having been varied on the part of Jecker at every moment, modified in a thousand forms & manners, & mixed up with a thousand other different transactions, the house of Jecker cannot demand from the Government the exact fulfilment of the *decree of the* 29th. *of October*, which forms the base of all, when the very same house has been *very far from fulfilling the same;* and no other proof is necessary, than to present the entry of $ 618,000 delivered in money, instead of the 10 per Cent. corresponding to the 14 millions and odd dollars, that had in different periods been converted by the house.

If, as is evident and certain, it is not one, but several contracts made, first by the nephew and partner of Jecker, and then by Jecker himself, in that case it is necessary to bear in mind, that each one of these contracts has been distinct; which proves that Jecker and the reactionary Government, and the reactionary Government and Jecker, made and unmade at their will and pleasure that which they had compacted, modifying and varying the same, and above all *substantially altering* the legislative dispositions from whence the first operation started, and from whence the subsequent transactions took their origin. Founded upon these facts, to demand now the entire and complete fulfilment of the clauses favorable to Jecker, when he modified those in favor of the Exchequer, by delivering bonds, certificates, clothing, and orders, instead of money, would be the most palpable and notorious injustice. But there is still a much stronger reason. The contract was infringed, was completely broken by the house of Jecker. About the middle of May 1860, the house of J. B. Jecker & Co., suspended payments and brought its affairs to a stand, not through any fault of the reactionary or Constitutional Governments, but from causes of a very different description.

From the moment the affairs of Jecker & Co., were in the state indicated, they failed in the obligations they had contracted, of making the "conversion" of the 14 millons of Bonds & of retaining *in*

(*)—An agreement in which both contracting parties bind themselves reciprocally to its fulfilment.—Tr.

...sit the 10 per cent. for the payment of the interest, which amount-... nearly a million and a half of dollars. Thus, at the meeting ... creditors there occurred the rarest, the most monstruous circumstance in the world, and which could only happen in our country. Whilst Jecker presented the 14 millions of Bonds as a part of his capital to cover his liabilities, whilst he gave the same unjustly and illegally in guarantee, (because he had not fulfilled the contract,) not a single word was mentioned of the *deposit* of a million und a half in cash, which he should have had in his coffers to hold good his contract, and a carrier that he might legitimately give in guarantee those values which the Nation at that time and for many months afterwards was paying out of her best revenues. We do not know how the Solicitor General of the Nation acted in this case, what we do know is, that neither before, nor since, nor at present, has *that million and a half in cash* been delivered, and that consequently the contract has not been complied with since that time, and that the house has not the slightest shadow of the right which it alleges to demand the full and exact compliance on the part of the Nation.

There still remains another reflection of considerable weight. In the circumstances under which Jecker made his last contracts, the transaction was not then that of a simple loan from a Banker indifferent to politics, but a real and positive association formed by the house of Jecker with a revolutionary entity of the country to overthrow, at Vera Cruz, the Government which by the legal forms recognized by all civilized nations, legitimately held the reins of power.

Thus even before their failure, other faults had been already committed which were those of having entered into contracts with those who did not possess, even according to common law, the *capacity* to contract, and of having involved themselves directly and actively in the political questions of the country. Therefore in the event that there should exist sufficient cause and foundation for the interference of the French Legation, this interference at the most would arise from the first affair, but not from those that were negotiated with revolutionary authorities, that France itself could not acknowledge.

But we wish for a moment to abandon all these questions, and take our ground on matters of fact. What is the state of the Jecker affair at the present date? Really and positively that of an affair in suspense.

The revolutionary authorities who not only usurped the power, but out of one rebellion formed another, ignoring Zuloaga and destroying the relative and conventional legality of the conservative party established by the "plan" of Tacubaya, were overthrown and disappeared from the scene, and with them vanished the hopes of immense profits that had been conceived by the Banker who had associated himself with this revolutionary enterprize.

What measures has Jecker in his hands and at his disposal?

Those that are natural, well-known, and are employed on similar occasions.

The first measure is an arragement, as we have already indicated, and if by means of an arrangement, the matter cannot be brought to a conclusion, there remains the appeal to the tribunals.

The Constitution in marking the attributes of the Federal Tribunals, contains not one, but many articles, which favor both Mexicans and Foreigners, and points out the path they should take when they consider themselves in any way injured by the Government.

This is not the first occasion that the Government, for reasons more or less justifiable, has suspended the fulfilment of a contract, and without going very far, to produce a case *ad hoc*, a few pages back, we find the very same house of Jecker appealing to the Supreme Court of Justice, on a certain transaction, *gaining the suit and compelling the Government to pay them, as it did pay them, to the very last cent.* What does this prove? That Mr. Jecker, as a Banker who has transacted business in this country for many years, is perfectly well acquainted with the mode of obtaining payment or of acquiring justice, and the liquidation of his house, which is public on account of its failure, and the fact we have just cited, prove, that with the exception of the business of the Bonds, the Government remains owing him nothing, and that when he has applied to the Mexican Tribunals, these have administered justice towards him, and when once a sentence has been given, the Mexican Government has not raised the slightest objection, nor failed, not only to satisfy, but to please the parties interested, in cooperating towards the payment in the quickest, easiest and most lucrative manner for their interests, and ceding in their favor the current exchange.

The sentences in the affairs of Serment P. Fort & Co. (French), Martinez del Rio, Brothers (English), and Hargous Brothers (Americans), prove that there has not occurred one single case of dispute.

that has not been settled by this means, and the English Government has never uttered one word to that of Mexico, whilst the matters were submitted to the action of the Tribunals.

What would have been said if Mr. Jecker at the moment of his failure, instead of applying to the Civil Judge, should have resorted to the French Legation? The reason is not apparent, why in some matters, the legislation of the country is good for and adapted to Mr. Jecker, and in others not so; but the fact is that instead of making application to the Finance Department for an arrangement, or to the Court of Justice to sue the Government, he resorted to the Legation, which proposed an arrangement, that had for its basis the reduction of the Fund to Ten Millions, to be redeemed by 15 per cent. of the products of the Custom Houses. These propositions were accompanied by a confidential note in which the French Minister stated to the Department of Foreign Affairs, that if the matter was note arranged in the manner proposed, it would bring about the ruin of *the Government and of the Nation.* Shortly afterwards the French Minister left Mexico, and every one knows what has happened since.

To conclude, we will mention that whilst the Bonds were being admitted, the sum of $554,127 25 was redeemed for capital and interest, as will be seen by the note H. it being necessary to remark that for want of sufficient time, we have not been able to collect other accounts of redemptions made in some of the Financial offices of the States, or even the last of those made in the Custom House of this city. Thus, to comprehend the ruinous nature of this business, above all ponderation, it will suffice to form the very simple and intelligible analysis which follows:

ANALYSIS.

Amount received by the reactionary Government for the Jecker Affair, according to the liquidation of the General Treasury	$ 618,927	83
Capital paid by the public revenue from January to December 1860.....	554,127	25
Difference.....	$ 64,800	58

Which, a little more or less, ought to be covered by the redemptions in the "Gefaturas" and other interior offices. What necessity

was there for so many Bonds, which were sent out of the Palace in cart-loads,—of so much combination,—so much noise, and so much scandal, to obtain so paltry a sum? Mr. Jecker himself has, on other occasions, made other more important transactions, and most certainly more productive for him, without causing the ruinous and disastrous consequences, which no one can foresee, for this unfortunate Republic.

Finally, we have to remark, that we are authorized to state that the Government has never refused to enter into an equitable and just arrangement with Mr. Jecker, having for its basis the devolution of the money he may prove he has advanced (which is exceedingly plain and easy) and crediting him, moreover, with interest or some other compensation for the time he has been out of his advances, and for that in which the balance of the account was delayed We believe that nothing more can be done. In the arrangement that may be entered upon, the amount received from private individuals for the "refaccion," must be taken into account, as well as the value to be put upon the Bonds that were redeemed.

A.

DECREE for the emission of the Jecker Bonds, and first proposal of that house for the "refaccion" of 15.000,000 dollars.

In the City of Mexico, on the 31st. day of October 1859, before me the Public Notary of the number and witnesses mentioned, the Señores Ministers of the General Treasury of the Nation, D. Pedro Fernandez del Castillo and Don Estevan Villalva, in the voice and name of the Supreme Government, of the one part; and Messrs. John B. Jecker & Co., for themselves, of the other part, residing in this Capital, whom I know, said:—That the Government by common agreement with Messrs. Jecker & Co., have issued the following decree, and remitted a copy thereof to the Treasury.

His Excellency the substitute President, under this date, has deemed fit to address me the following decree:

"Miguel Miramon, General of Division and substitute President of the Mexican Republic, to the inhabitants thereof, know ye:

That in exercise of the prerogatives with which I am invested, I have considered it convenient to decree the following:

Art. 1st. The Supreme Government shall issue Bonds, of the value of 15.000,000 dollars.

Art. 2nd. The emission of an equal amount of the Bonds created by the law of the 16th. July last, shall be suspended.

Art. 3rd. The Bonds referred to in the present decree, shall be admitted to the extent of 20 per cent. in the payment of all duties and contributions which may have to be received by the Exchequer, excepting national contingencies.

Art. 4th. The said Bonds shall bear an annual interest of 6 per cent.

Art. 5th. Of this interest, 3 per cent. is guaranteed for five years by the house of Messrs. Jecker & Co., payable half-yearly, from the 1st. to the 30th. of June, and from the 1st. to the 30th. of December, whose signature validates the Bonds.

Art. 6th. The interest of 3 per cent. which remains on account of the Government, represented by Coupons, shall be admitted in the proportion of 20 per cent., in all payments that may have to be made to the Exchequer, in the same manner as the Bonds.

Art. 7th. The interest shall commence from the date of the emission of each Bond.

Art. 8th. The present Bondholders have the right to exchange those they

now possess for the new ones, by paying 25 per cent. for those of the last sion which bear interest: 27 per cent for those created by the law of the November 1850, and 28 per cent. for those of the last emission which bear interest.

Art. 9th. These quotas shall be calculated on the amount of the Bonc their coupons, due up to the day of their Conversion.

Art. 10th. For this purpose the Bondholders shall present their Bo the General Treasury, which, after the liquidation of the coupons, shall them, and give a certificate stating the total amount and the class of Bonc verted.

Art. 11th. On the presentation of this certificate the house of Messrs. Jecker & Co., shall deliver in Bonds of the new-emission an equal amc those cancelled in the General Treasury, after paying the sum corresp thereto according to the 8th. article.

Art. 12th. By no motive whatever can any authority of the Republ pend the effects of this decree, respecting the amortization of the Bonds once emitted, under the penalty of being destituted and for ever prevente obtaining any public employ.

Art. 13th. This penalty does not impede the infliction of a pecuniar (for the losses and damages caused to the interested parties), to which an tionary may make himself amenable by suspending or abetting the susp of the effects of this decree.

Therefore I order that it be printed, published, circulated &c. Given National Palace at Mexico, this 29th. October 1859.—*Miguel Miramo*

the Minister of Justice, Ecclesiastical Affairs, and Public Instruction, in of the Department of Finance and Public Credit, Licentiate Don Isidro Di

Which I communicate to you for your information &c.

God and Liberty. Mexico, October 29th. 1859.—*Diaz.*

That in consequence of this decree, the Supreme Government entered contract with the said Messrs. Jecker & Co., which contained the Supr der received by the General Treasury from the Finance Department, and order says, verbatim:

Secretariat of State and Department of Finance and Public Credit.— Section.—Messrs. J. B. Jecker & Co., have entered into an agreement wi Supreme Government, to the following effect.

Art. 1st. The Supreme Government shall issue 15.000,000 dollars in in conformity with the decree, a copy of which is herein inserted.

Art. 2nd. The house of Messrs. J. B. Jecker & Co., shall guarantee years, and shall verify the payment of 3 per cent. per annum, this being of the interest borne by said Bonds; with which object they shall legali same by their signature, in accordance with the 5th. article of the said de

Art. 3rd. Messrs. Jecker & Co., bind themselves to pay said inter each Bond until the expiration of the half year in which it may be amorti that the Government shall recover the coupons due until the end of th years, which may not have been satisfied.

Art. 4th. The Government shall deliver to Messrs. Jecker & Co. the 15.000,000 dollars in Bonds, as soon as they are printed and authorized by the General Treasury, in order that the operation mentioned in the 11th. article of the decree may be carried into effect.

Art. 5th. Messrs. Jecker & Co, shall recover 10 per cent. out of the premiums of Conversion, to cover their responsibility of the interest, and 5 per cent. for Commission, so that there shall remain to the Government 10 per cent. on the Conversions made at the rate of 25 per cent; 12 per cent. on those at the rate of 27 per cent., and 13 per cent. on those at the rate of 28 per cent.

Art. 6th. In case the Supreme Government should, from any motive whatever, suspend the Conversion, Messrs. Jecker & Co., will always retain a right to 5 per cent. for commission, which *shall be paid from the funds of the Supreme Government*, that by virtue of the said decree they may hold in their possession; and if they should have disposed of them already, it shall then be paid wth all punctuality out of the first moneys they may receive. Excepting, nevertheless, in the event of these Bonds not being accepted by the Public within four months, it may be convenient for the Government to suspend the Conversion, in which case Messrs. J. B. Jecker & Co., can only recover the 10 and 5 per cent. on the sums converted, without taking into account the amount of the Bonds emitted, but these shall continue to be received at the rate of 20 per cent. for all the rents of the Supreme Government until their total amortization, as expressed in the decree referred to.

Art. 7th. . In such case Messrs. Jecker & Co., shall immediately return to the General Treasury the bonds that may be existing at that time, in order that they may be destroyed.

Art. 8th. Messrs. Jecker & Co., shall pass a note to the General Treasury of the Bonds they may issue in virtue of the certificates of the said office, stating the class to which they belong and the numbers with which they are marked.

Art. 9th. The responsibility contracted by Messrs. Jecker & Co., for the payment of the interest, being absolutely personal, the 10 per cent. assigned to them for that purpose, belongs to them as soon as received, and the Supreme Government cannot under any circumstances dispose of the same.

Art. 10th. Messrs. Jecker & Co., shall not deliver any Bonds of this emission, without receiving in cash the full premium of the Conversion.

Art. 11th. Messrs. Jecker & Co., shall remit every month, to the General Treasury, the part corresponding to the Supreme Government on the Conversions made during the same period. This does not impede, in case of emergency, the delivery of the funds, that may exist, (belonging to the Government), to the said Treasury, in virtue of the order that may be communicated to them.

Art. 12th. There shall also be delivered to Mr. Caricaburu, 150,000 dollars in Bonds of this emission, without recovering from him the 10 per cent. appertaining to the Supreme Government.

Art. 13th. If, in consequence of this contract, any question whatever should arise with Messrs. Jecker & Co., it shall be decided by two arbitrators, and a third to be named by these said parties previous to giving sentence.

Mexico, October 29th. 1850.—*J. B. Jecker & Co.*

And His Excellency the substitute President having approved thereof municate it to you by his order, for the corresponding effects, and with ject of preparing the requisite instrument.

God and Liberty. Mexico, 29th. October 1859.—*Diaz.*—To the Treasurer of the Nation.

October 31st. 1859.—To the Section of Interior Credit, that, by handi the notary, D. Ramon de la Cueva, with the decree referred to, he may to prepare the instrument.—A flourish.

The documents herein inserted agree wirth their originals, which I ce having seen, read, and returned them; and nothing remaining but to pr prepare the corresponding public instrument, in conformity with w been agreed upon by his Excellency the Minister of Finance, the S Pedro Fernandez del Castillo, and D. Estevan Villalva, as Treasurers of tion, and Messrs. Juan Bautista Jecker & Co., for themselves, it is thus into effect by these presents; whereby, or in the best manner and form for its greater firmness and validity *they hereby* declare: That the fir tioned parties bind the Supreme Government, and the second bind the to fulfil *the conditions of the contract herein inserted in all its parts* they here repeat and fully ratify, clause by clause, and word by word, giving them any other meaning, comment, nor interpretation, than is expressed, and not to dispute the same partially nor totally; and if they do so, they, desire not to be heard either in court or elsewhere, and that same act they may be considered as having approved and ratified it an greater ties and solemnities, adding force to force, and contract to cont its greater stability and firmness. For the observance, obedience, and co of which, the Treasurers bind themselves with the present and future pr of the Nation, and Messrs. Jecker & Co., with their own, and therewith themselves to the jurisdiction of the judges who may or ought to take co in their causes, in order that the respective parties be compelled and bound to the aforesaid, as though it were by a sentence agreed to and p authority of a matter judged: renouncing the laws in their favor and def gether with the laws in general. Thus it was agreed upon and signed as witnesses Don Francisco Lara, Don Mariano López, and D. Fermin lez, of this city; I bear witness thereto; and that the Letter of Securit Jecker is numbered 1,454, dated 22nd. of February last, registered in p book 15.—*P. F. del Castillo.—E. Villalva.—J. B. Jecker & Co.—F Lara.—Mariano Lopez.—Fermin Gonzalez y Costo.—Ramon de va*, Public Notary of the Nation.

Taken from the protocol of public instruments under my charge, on of the Supreme Government, this day, the 24th. of May 1860, which w for; and is contained in four pages of the 1st. and 3rd. stamps of the cur years.—Corrected: I certify thereto.—Notary's signet.—*Ramon de la* Notary Public of the Nation.

B.

Frist contract of "refaccion" made by the house of J. B. Jecker & Co.

Secretariat of State and Finance Department &c.—Section 5th.—Num. 383. —Messrs. J. B. Jecker & Co. presented to the Supreme Government the following proposition.—The undersigned make the following proposition the Supreme Government, to wit:—They will convert, in conformity with a decree which is about to be published for the creation of a new fund of 15.000,000 dollars, the Bonds emitted by the Zuloaga administration for the amount of, (including capitalized interest), more or less, 2.000,000 dollars, paying a "refaccion" of 25 per cent. or 500,000 dollars, in the following manner:

1st. They will deliver to the General Treasury 100,000 dollars in cash, as soon as the said decree is published, the document agreed upon between his Excellency the Minister of Finance and the undersigned is executed, and 2.000,000 of dollars of these new Bonds are delivered to them.....	$ 100,000 00
2nd. They will deliver at the tariff price, in military clothing and accoutrements for the army, the articles mentioned in a list to be presented to them, the sum of.....	70,000 00
3rd. They will also deliver to the General Treasury, bonds of the emission of the 16th. July last, to the amount of.....	30,000 00
4th. They shall retain in their possession, (in conformity with what must be expressed in the said agreement), for the payment of their commission of 5 per cent. and the 10 per cent. for interest that corresponds to the 2.000,000 of bonds to be received, the sum of.....	300,000 00
Total...	$ 500,000 00

If they have not sufficient Bonds of the omission of Sr. Zuloaga, they can supply the deficiency with those issued by Sr. Peza.

They will also make an advance of $20,000 in cash, which shall be deducted from the first payments that may be made for "refaccion" of Bonds of this new emission, and the expenses of printing the new bonds shall be paid in the same manner.

God and Liberty. Mexico, 27th October 1859.—*J. B. Jecker & Co.*

And His Excellency the substitute President having thought fit to admit the proposition inserted, ever since the 28th. of October last, by his order I communicate it to you for your information and the corresponding purposes.

God and Liberty. Mexico, November 8th 1859.—*Tovar.*—To the Treasurer General.

C.

Second contract of "refaccion" made by Don Julio Borneque.

Republic of Mexico.—General Treasury of the Nation.—Section 5th.—Don J. Borneque makes to the Supreme Government the following proposition:—In conformity with the decree published on the 29th. of October last, he will convert 6.000,000 of Bonds of the Peza emission, including the interest due thereon, by paying a "refaccion" of 10 per cent. which corresponds to the Government, according to the contract made on the 31st. of the said month, with the Messrs. J. B. Jecker & Co., in the following manner:

By delivering in cash to the General Treasury.....	$ 150,000 00
By paying to Messrs. J. B. Jecker & Co. for advances made to the Supreme Government up to date, on account of the conversion of the bonds of 20 per cent.....	60,000 00
By receiving as cash the last six instalments of the document which the General Treasury gave in favor of the said Messrs. Jecker & Co., on the 27th. of October last, amounting to.....	298,000 00
By also delivering to the said General Treasury in Bonds issued by the Zuloaga administration.....	92,000 00
	$ 600,000 00

Six hundred thousand dollars, or the 10 per cent. mentioned on the said 6.000,000 of dollars, which shall be delivered to him of the last emission.

And his Excellency the Substitute President having thought fit to accept the contract inserted, by his order I communicate it to you for fulfilment.

God and Law. Mexico, January 26th. 1860.—*Tovar.*—To the General Treasurer.

D.

Third contract for Conversion made by Don Julio Borneque.

Secretariat of State, and Department of Finance and Public Credit.--Section 5th.--The Supreme Government has been pleased to approve, in all its parts, the following proposition of D. Julio Borneque, excepting whatever difference that may arise from any error of calculation in the respective liquidation.

PROPOSAL MADE BY THE UNDERSIGNED TO THE SUPREME GOVERNMENT.

In conformity with the decree published on the 29th. of October last, he will convert the balance that remains for conversion of the 15.000,000 dollars of the 20 per cent. guaranteed Bonds, or 6.377,700 dollars with an equal amount, (including the interest on the bonds issued by Peza), paying the "refaccion" of 10 per cent. which corresponds to the Supreme Government, according to the contract made on the 31st. of the said month, with Messrs. J. B. Jecker & Co., in the following manner:

By delivering to the said gentlemen in cash.....		$ 413,020 00
By delivering to the Supreme Government three orders on the Maritime Custom-Houses of,		
Colima.....	33,333 33	
Mazatlan.....	33,333 33	
Tampico.....	33,333 34	100,000 00
In 20 per cent. guaranteed bonds.....		24,750 00
In 8 per cent. bonds, of those issued up to the end of the year 1857.		100,000 00
Total.....		$ 637,770 00

Six hundred and thirty seven thousand, seven hundred and seventy dollars, or 10 per cent. on $6.377,700, which sum shall be delivered to him in Bonds of the last emission.—The 20 per cent. Bonds he will deliver immediately; the three orders within four months, they being now in the ports; and the one hundred thousand dollars of old Bonds within eight days; and the $ 4,377,700 in Peza Bonds within two months.—For the fulfilment of which he will give to the General Treasury the corresponding security.

Mexico, March 12th. 1860.—*J. Borneque.*

And I enclose it to you by supreme order for the consequent purposes.

God and Liberty. Mexico, May 18th. 1860.—*Tovar.*—To the General Treasurer.

E.

Decree relative to the emission of the Jecker Bonds.

Secretariat of State and Department of Finance and Public Credit.—Second Section.—In order that the decree dated the 29th. of October last may be punctually fulfilled, relative to the emission of Bonds, for the amount of $ 15.000,000, his Excellency the Substitute President has been pleased to resolve the following provisions:

1st. The Bonds referred to are to be of the class, numbers, and value expressed below:

40,000	Bonds of the 1st. clases, letter A, blue, numbers 1 to 40,000, of the value $ 25 each.....	$ 1.000,000 00
40,000	Bonds of the 2nd. class, letter B, yellow, numbers 1 to 40,000, of the value of $50 each.....	2.000,000 00
40,000	Bonds of the 3rd. class, letter C, green, numbers 1 to 40,000, of the value of $ 100 each.....	4.000,000 00
10,000	Bonds of the 4th. class, letter D, orange, numbers 1 to 10,000, of the value of $ 500 each..	5.000,000 00
3,000	Bonds of the 5th. class, letter E, carmine, numbers 1 to 3,000, of the value of $ 1,000 each..	3.000,000 00
133,000	Bonds of the value of.....	$15,000,000 00

2nd. The said Bonds shall be printed with the requisite exactness and perfection, by placing all the marks and countersigns that may be necessary to prevent forgeries, and to be signed by the Treasurers and Cashier of the General Treasury, with "approved" of the Minister of Finance.

3nd. Each Bond shall contain the decree, for the emission, in full, and on the right hand side the respective Coupons to the interest they bear, and placing above, the twenty Coupons which the Exchequer has to satisfy in as many half yearly payments, and below, the ten Coupons of the half years to be covered by the house of Messrs. J. B. Jecker & Co., in virtue of their obligation.

4th. The Bonds shall be bound in the volumes that may be necessary, and shall be delivered by the General Treasury to the said house, under a formal in-

ventory, in order that they may, in due course, be delivered to the respective parties interested, in exchange for such as may have been transferred ["*amortizado*"] in the General Treasury, placing on each, at the end of the signatures, the date on which the Bond is issued and the signature of the house.

5th. Immediately on the conclusion of each volume, Messrs. J. B. Jecker & Co. shall return to the said Treasury the margins that must have remained in the said volume, in order that in due time they may be compared with the Bonds to which they belong.

6th. The interested parties, the moment they receive their Bonds, shall present them to the Section of Public Credit of this Department, in order that a note of the same may be made in the book destined for that purpose; writing on the Bond the page in which such note is made, under the signature of the Chief of the Section. No Bond that may be without this requisite can be admitted for the payment of interest, nor for redemption.

7th. The General Treasury shall remit to this Department daily, a list of the old bonds that may have been transferred ["amortizado"] for conversion into new ones, stating the amount of liquidation for capital and interest, and the name of the party by whom they were presented.

8th. The amortization of the new bonds that may be admitted in payment of 20 per cent. of the duties caused in the offices belonging to the National Exchequer, in conformity with the 3rd. article of the Decree dated the 29th. October last, shall be effected in strict accordance with the dispositions of the order of the 30th. of August 1856, passing over the 10th, clause of said order, which provides for furnishing the Committee of Public Credit with an account of the Bonds redeemed, as that Committee does not now exist.

9th. The General Treasury, in presence of the list that should be remitted from the offices, according to the provisions of the said order, shall take particular care to liquidate in the months of June and December of every year, the amount of the respective Coupons and the interest to be paid by the house of Messrs. J. B. Jecker & Co., and those that may not be covered in the redeemed bonds during the half year, in order to recover the amount from the said house, according to the stipulations made therewith.

10th. The Bonds referred to in this order, shall be admitted in payment of 20 per cent. of the duties mentioned in the 3rd. article of the decree dated the 29th. of October last, provided the amount is not less than five dollars, as those which do not reach that sum must be paid in cash.

Which by supreme order I communicate to you for your information &c.

God and Liberty. Mexico, November 9th. 1859.—*Tovar.*

F.

Mondification or intermediate contract for effecting the "refaccion" of the Bonds.

Secretariat of State and Department of Finance and Public credit.—Section 5th.—Messrs. J. B. Jecker & Co., have made to the Supreme Government under yesterday's date, the following proposal:—

"The undersigned being aware that the Supreme Government, in consequence of its present situation, has an urgent necessity to procure resources, make the following proposition, trusting that it may be acceptable:—

They will deliver in cash to the General Treasury.....	$ 125,000
They will pay on account of the said Treasury to Sr. D. Francisco de P. Portilla, the amount of the two Bills that he holds against the said office, and which were forwarded from Havannah, being the price of the Steamer purchased there by order and on account of the Supreme Goverment, for.....	84,112
They will also deliver to the same office, in Bonds issued by the Zuloaga administration.....	150,000
Total.....	$ 359,112

for which sum the corresponding certificate shall be given in the following terms:

This amount shall be considered as an advance of funds made to the Government, which shall definitively command, and without any restriction whatever, that the interested parties shall be paid from the total product corresponding to the said Government, arising from the "refaccion" by the conversion of old Bonds for those of the 50 per cent. created by the law dated 29th. October last, in conformity with the stipulations of the document relative thereto, of the 31st. of the said month, until the full redemption of said sum, in the manner following:

For the payment of the said sum, there shall be applied, for the present, 50 per cent. from the amonnt of "refacciones" that correspond to the Government, counting from the 23rd. instant; but as that 50 per cent. calculated on the remainder of the 15.000,000 pending amortization, will not be sufficient to cover the amount referred to, the interested parties shall, in proper time, designate the day

from which the entire product of the "refaccion" shall be applied to the payment of that sum, and in order that this be complied with, it shall be sufficient to address a simple notice to the General Treasury.

If it should suit the interested parties to convert more Bonds, they shall apply to the said payment the full value of the "refaccion" which by said Conversion may correspond to the Government.

In no case, nor under any motive nor pretext, shall the Government be able to impede the full compliance vith what may be stipulated in said certificate, nor shall the purposes of the dispositions it may contain, be interrupted or suspended:

Mexico, January 30th 1860.—*Juan B. Jecker & Co.*

And his Excellency the substitute President having been pleased to admit the propositions herein inserted, by his order I communicate them to you for your information &c.

God and Liberty. Mexico, January 31st. 1860.—*Tovar.*—To the General Treasurer.

G.

ACCOUNT which the undersigned present to the General Treasury of the distribution and "refaccion" of the 15.000,000 of dollars in 20 per cent. Bonds, created by the law of the 29th. October 1859.

1859.	Bonds.	Price of "refaccion."	Amount.
November 1st.—Delivered to Mr. C. A. Caricaburu by order of the Supreme Government, without "refaccion".....	150,000 00		
November 12th. — Bonds transferred ("refacciona-dos") by us.....	2.000,025 00	10 per cent.	200,002 50
1860.			
January 26th.—Do. do. by Mr. Borneque.....	6.000,000 00	10 per cent.	600,000 00
March 10th.—Do. do. by the public, up to date.....	471,275 00	10, 12 & 13 p. c.	52,541 56
March 13th.—Do. do. by Mr. Borneque.....	6.378,700 00	10 per cent.	637,870 00
	$ 15,000,000 00		1.490,414 06
DELIVERED ON ACCOUNT.			
New delivery for "refaccion" of 2.000,025 dollars, 10 per cent.....		200,025 00	
Advanced to the Government.	70,882 03		
Less paid us by Mr. Borneque on account of the Supreme Government.....	60,000 00		
		10,882 03	
	Forward.....$	210,907 03	1.490,414 06

Forward.....$	210,907 08	1.490,414 06
...by the said Mr. Borneque for "re-		
...f 16.000,000 of dollars, which he		
... account of the Supreme Govern-		
.....	600,000 00	
... by us to the Supreme Govern-		
... repaid by what corresponded the-		
... "refaccion".....	359,112 00	
... "refaccion" to be paid to the Su-		
... ernment by Mr. Borneque for		
... of Bonds to be converted	224,750 00	1.894,769 08
... in our hands in favor of the Govern-		
.....		$ 95,645 08

...en. March 14th. 1860.—*J. B. Jecker & Co.*

H.

ACCOUNT of the Jecker Bonds, redeemed in the General Treasury during the year 1860, without including those that were redeemed in any of the Principal Departments of Finance of the States, nor the last ones by the Collectors of the District, and those which were admitted in the rents of the Clergy.

		Interest.	Capital.
1860.	January.....		15,703 59
	February.....		22,107 72
	March.....	308 27	82,271 76
	April.....	42 85	13,143 71
	May.....	126 52	49.348 43
	June.....	61 58	12,533 11
	July.....	790 37	86,107 18
	August.....	126 68	32,521 62
	September.....	26 54	12,772 77
	October.....	95 56	32,385 09
	November.....	206 78	48,560 57
	December.....	2,896 12	151,990 43
		$ 4,681 27	$ 549,445 98

General Treasury of the nation. Mexico, April 10th. 1862.—*Agustin Pardo y Garcia.*

THE PEZA BONDS.

The coherence which the conversion of the Jecker Bonds has with those known under the name at the head of this chapter, compels us to give an idea of this affair, which, in reality, has not up to the present moment been the subject of any foreign claim. It will serve, nevertheless, to elucidate certain points that, in the course of time, may present themselves; and, moreover, this document will add to the collection of data, which would have been better arranged and more abundant if we had more time at our command.

As Sr. D. Juan Suarez Navarro, with the proper discernment that characterizes him, and with his accustomed indefatigable tenacity, made for the Chamber of Deputies a complete narration of all the transactions relating to the Peza Bonds, we insert it in its original form, without adding to or diminishing therefrom, and we tender our thanks for the frankness and good feeling with which he favored us with the fruits of his labors, so interesting and advantageous for the Exchequer.

The Peza Bonds have remained without circulation, and in case of an arrangement, it is necessary to bear in mind the data furnished by previous information.

"On the 3rd. of October last, a motion was made in the Congress of the Union, to ask from the Finance Department and General Treasury all the data relative to the emission of Bonds verified by virtue of a decree of the 16th. of July 1859, at which period the rebel troops had dominion over the Capital of the Republic against the Constitutional power. This decree, famed for more than one reason, was passed with the object of establishing a financial scheme, by modifying the legislation that existed in this branch, abolishing contributions, extinguishing offices, and varying the entire revenue system of the nation.

The want of foresight, the spirit of innovation, and the evil of enacting laws without meditation or judgment, has been, and is, an old standing evil in the Republic. The chief of the army of the three guarantees was the first who, under the influence of certain enemies to the country, destroyed the then existing financial system; and in the 1st. article of the proclamation dated the 30th. of June 1821, at once abolished taxes to the amount of seven millions and a half of dollars: the provisional executive Council followed the same course, and by its procedure diminished the revenue to the extent of two millions and a half of dollars more, thus the first Mexican Congress thereby completed this work of destruction.

From that period to the present we have marched on in incessant revolutions, without fixed laws, without order, hanging on a thread, and acting without any established principles. To imperfectly defray the expenses of the public administration, our governments have been compelled to resort to loans, and to exact taxes in advance. From the end of the year 1821 to 1846 the Republic has existed by the means of loans, which, from official data before us, amount to the sum of $87.981,095 2 rs. 2 grs. For certain rulers, lessons of experience are unworthy of notice, and from no other cause did the affair that now occupies us emanate under, trying circumstances, the consequences of which have been and will be most disastrous; so much so that the endless series of our disturbances do not present a transaction more iniquitous, more immoral, and more ruinous. The particulars which follow justify every one of these relative qualities.

The so called Minister of Finance of Don Miguel Miramon, Don Carlos Guillermo de la Peza y Peza, decreed on the 16th. of June 1859 a conversion of the internal debt by issuing Bonds of a new description, instead of those emitted in conformity with the law of the 30th. of November 1850. The emission of the new Stock was of

the value of 80.000,000 of dollars: 49.999,696 dollars to bear an annual interest of 6 per cent., to be disposed of in exchange for the old Bonds, the interest on which was 3 per cent.—13,333,340 dollars should not gain any interest, and should be applied to the payment of interest due on the old Bonds.—16.666,964 dollars should bear an annual interest of 12 per cent., and should be applied to the capitalization of pensions, taking as a basis the amount that might be received by the interested party as a corresponding interest on a capital of 12 per cent. It does not require an arithmetician to perceive immediately the serious liabilities imposed upon the Public Treasury, and the impossibility to fulfil the promise to receive the new Bonds in two-third parts of the value of the assignments allotted to each State of the Federation under the appellation of a contingency.

The exchange of the old Bonds of the internal Debt for those new ones ought to have been made with a premium on the capital, in the following manner:—In the first fifteen days after the publication of the law, 5 per cent.; in the second fifteen days, 7 per cent.; in the third fifteen days, 9 per cent.; and in the fourth fifteen days, 11 per cent. The Credits against the Custom House at Mexico and the Bills accepted by the General Treasury up to that date, ought to be converted in the proportion of 35 per cent. on the second instalment; 30 per cent. on the third; and 20 per cent. on the fourth.

The talent of Sr. Don Antonio del Palacio y Magarola, the present Treasurer General, as well as the knowledge and intelligence of Sr. Lozano, have been unable to disentangle in all their points and in an absolutely certain manner, the various operations which were made in virtue of the said decree, immaturely produced in pernicious days for the nation. The prolixity and application of Sr. Magarola alone could have overcome the obstacles which presented themselves, in order to acquire any information respecting the emission of the Peza Bonds, because the data are found mutilated and imperfect; but, in spite of this, the particulars that have been furnished to the Congress, show that the Public Finance has been burthened in more than 50.000,000 of dollars, which really scandalous particulars are as follows:

As soon as the law authorizing the creation of this new paper was published, there instantly followed operations of conversion, contracts, "*refacciones*," capitalizations, &c.; and for better information we here give a statement of the emission of the Bonds referred to.

THE SO CALLED PEZA BONDS.

ISSUED FOR "REFACCION."

	Payments made in bonds.	Payments made in cash.	Payments made in credits.	Total number of Bons issued.
D. Joaquin Egnía.....	1,274 „	70 „		1,274 „
„ Ignacio Morales.....	1,518 „	60 42		1,518 „
„ C. Caricaburu	2,544 „	100 „		2,544 „
„ Estévan L. Cerda....	2,802 „	154 „		2 802 „
„ Juan Rondero.....	10 110 „	500 „		10,110 „
„ Bruno Ondovilla.....	12,736 „	445 „	255 „	12,736 „
„ Juan Rondero.....	178,404 „	6,117 „		178,404 „
„ Julian Cuevas.....	6 368 „	250 „		6,368 „
„ Bruno Ondovilla.....	15 284 „	585 „	255 „	15,284 „
„ „ „	12,738 „	700 „		12,738 „
„ Francisco Morlet.....	1,274 „	70 „		1,274 „
„ Manuel Fernandez....	2,546 „	100 „		2,546 „
„ Juan J. Molina	2,432 „	24 25		2,432 „
„ Mariano Zúñiga	1,272 „	50 „		1,272 „
„ Manuel Saenz Pardo..	636 „	25 „		636 „
„ J. M. S. y Blanco....	79,994 „	2,591 66	1,775 „	79,994 „
„ J. Noriega Llaca	1,272 „	70 „		1,272 „
„ „ „	1 272 „	70 „		1,272 „
„ H. Irague.....	255,178 „		10,000 „	255,178 „
„ Juan Rondero.....	12,736 „	500 „		12,736 „
„ Juan F. Bustos.....	2,166 „	75 „		2,166 „
„ Juan Rondero.....	12 736 „	350 „		12,736 „
„ H. Irague.....	7,642 „	300 „		7,642 „
„ Andrés Davis.....	3,040 „	124 58		3,040 „
„ José V. Alvarez.....	1,274 „	50 „		1,274 „
„ Tomás Horncastle....	3.127,500 „	150 000 „		3.127,500 „
„ Miguel Bringas.....	133 782 „	5.000 „		133,782 „
„ Juan Mendoza	2 546 „	140 „		2,546 „
„ F. de P. Portilla.....	6,368 „	250 „		6,368 „
„ Manuel Balderrama ..	254 „	10 „		254 „
„ José T. Cenizo	2,802 „	110 „		2,802 „
„ Manuel Calderon	220 „	10 „		220 „
„ J. J. Pesado	2,546 „	100 „		2,546 „
„ Juan N. Lozano.....	62 „	2 50		62 „
„ J. M. Diez Sollano....	2 292 „	90 „		2 292 „
„ Domingo Palacio	6 368 „	250 „		6,368 „
„ José Sanchez Colomo.	2 718 „	100 „		2,718 „
„ José S. Medina.....	1,386 „	55 „		1,386 „
„ García Icazbalceta....	158 „	6 25		158 „
„ Manuel Enriquez.	62 „	2 50		62 „
„ Francisco Ruiz	636 „	25 „		636 „
„ Antonio Conde	636 „	25 „		636 „
„ Rafael Reygadas.....	636 „	25 „		636 „
„ Pedro Pardo.....	636 „	25 „		636 „
„ Anastasio Brizueta....	48 „	2 42		48 „
„ Enrique Barradas....	30 „	1 25		30 „
Carried forward...	3 920,934 „	169,669 83	12,285 „	3.920,934 „

ISSUED FOR "REFACCION."

	Payments made in bonds.	Payments made in cash.	Payments made in credits.	Total number of Bons issued
Brought forward.....	3.920,934 „	169,669 83	12,285 „	3.920 934 „
D. Luis Zaldivar	1,812 „	71 25		1,812 „
„ Agustin Larreas.....	126 „	5 „		126 „
„ Pablo Manriquez	242 „	10 97		242 „
„ Francisco G. Salcedo..	618 „	23 58		618 „
„ Luis G. Peza.....	2.546 „	100 „		2.546 „
„ Pedro P. Velez.....	20.746 „		808 18	20,746 „
„ H. Irague...	110 818 „	4,350 „		110,818 „
„ J. L. Ibarrola.....	188 „	9 10		188 „
„ Manuel M. Fernandez.	12,732 „	500 „		12,732 „
„ Eusebio Rubio.....	254,756 „	10.000 „		254,756 „
„ Juan Rondero.....	3,818 „	150 „		3,818 „
„ Francisco Morales....	860 „	39 84		860 „
„ Luis H. Carpio	126 „	7 „		126 „
„ José López..... ..	4,228 „	238 „		4,228 „
„ Ignacio Torres.	468 „	28 „		468 „
Doña Josefa de la Rosa...	126 „	7 „		126 „
D. Manuel Balderrama ..	636 „	35 „		636 „
„ Manuel Eguia.....	636 „	35 „		636 „
„ José J. Cervantes....	1,148 „	70 „		1,148 „
„ Pablo Manriquez.	62 „	3 50		62 „
„ Luis H. Carpio.....	986 „	54 25		986 „
„ Cárlos Rangel	1,272 „	70 „		1,272 „
„ Manuel E. Icaza.....	150 „	8 60		150 „
„ Juan Gomez.....	1,304 „	71 75		1.304 „
„ J. M. Salas y Blanco..	1,444 „	45 50	24 50	1,444 „
„ „ „	7,222 „	227 50	122 50	7,222 „
„ Joaquin Fernandez ...	1,272 „	70 „		1.272 „
„ J. G. de Salcedo.....	298 „	17 39		298 „
„ Maximino Zozaya... ...	12,736 „	700 „		12.736 „
„ Nicolás Reyes.....	794 „	31 25		794 „
„ Angel Curti	2,546 „	140 „		2,546 „
„ Juan Urquiaga.....	3,458 „	175 „		3,458 „
„ Francisco Salmon....	6,268 „	227 50	122 50	6,268 „
„ Manuel Echave é Icaza.	126 „	7 „		126 „
„ Juan Barbedillo.....	468 „	22 75		468 „
„ Manuel Muñúzuri	13,722 „	32 50	632 50	13,722 „
„ M. Rosete.	1,272 „	70 „		1,272 „
„ M. Fernandez.....	93,174 „	2,935 „	1,580 „	93,174 „
„ J. M. Salas y Blanco..	9,288 „	340 12	183 13	9.288 „
„ „ „	2,546 „	91 „	49 „	2,546 „
„ „ „	1,758 „	67 12	36 13	1 758 „
„ Manuel Muñúzuri.....	35,012 „		1,925 „	35,012 „
„ Genaro Torres.....	25,590 „	916 7	493 26	25,590 „
„ Manuel Carpio.....	126 „	7 „		126 „
„ Manuel M. Medina....	24,200 „	864 50	465 50	24,200 „
„ Juan D. Tovar.....	116 „	4 45		116 „
„ G. Drusina.....	636 „	35 „		636 „
„ Francisco Quirbán....	3,820 „	210 „		3,820 „
„ Francisco P. Silva....	390 „	22 15		390 „
„ Luis Arellano.....	1,368 „	75 25		1,368 „
„ J. M. García.....	1,910 „	105 „		1,910 „
„ L. J. Alvarez Guerrero.	1,082 „	59 50		1,082 „
Carried forward....	4.593,980 „	193,056 22	18,727 20	4.593,980 „

ISSUED FOR "REFACCION."

	Payments made in bonds.	Payments made in cash.	Payments made in credits.	Total number of Bons issued.
Brought forward....	4.593,980 „	193,056 22	18,727 20	4.593,980 „
D. Manuel Payno.....	1,242 „	70 „		1,242 „
„ Manuel Zamaniego....	1,242 „	70 „		1.242 „
„ Pedro Vigil.....	1,272 „	70 „		1,272 „
„ Antonio Villamil.....	1,358 „	70 „		1,358 „
„ Manuel Calderon.....	110 „	7 „		110 „
„ Bruno Ondovilla.....	12,736 „	455 „	245 „	12,736 „
„ J. M. Candás.....	6,368 „	250 „		6,368 „
„ Francisco G. Morales..	44 „	3 96		44 „
„ Antonio Videgaray.....	56 „	5 13		56 „
„ Luis Mora y Osta....	1,168 „	90 „		1,168 „
„ Rafael Padilla.....	884 „	63 „		884 „
„ Herculano Ochoa.....	1,394 „	90 „		1,394 „
„ Rafael Padilla.....	876 „	63 „		876 „
„ Juan N. Lozano.....	30 „	1 50		30 „
„ Miguel Barba.....	790 „	31 37		790 „
„ José Cuevas.....	23,754 „	1,305 50		23.754 „
„ Ignacio Algara.....	26,272 „	671 32	361 48	26,272 „
	4.673,576 „	196,373 „	19,333 68	4.673,576 „

ISSUED BY CONTRACT.

	Payments made in bonds.	Payments made in credits.	Payments made in cash.	Total number of Bons issued
D. Longinos B. Muriel...	3.500,000 „	2:5,000 „	40,000 „	3,50),000 „
„ Ignacio Algara.....	400,000 „	15,212 „	8,788 „	400 000 „
„ Tomás Horncastle...	6.250,000 „	250,000 „		6 250 000 „
„ Emilio Rubio.....	2.000,000 „	120,000 „	45,000 „	2.000 000 „
„ Francisco Morphy....	2.000,000 „	20,000 „	2[illegible],000 „	2.000,000 „
„ „	2 000.000 „	12,000 „	12,000 „	2 000,000 „
„ Guillermo Gordon....	6.250,000 „	250,000 „		6.250,000 „
„ Tomás Iglesias.....	1.747,408 „	105,161 58	6 838 42	1.747.408 „
„ J. B. Jecker y C.ª	6.600,000 „	394.863 48	3.136 52	6.600 000 „
„ Manuel G. Madrid....	1.200,000 „	39,737 64	14,272 „	1.200,000 „
„ J. M. Camargo.....	700,000 „			700,000 „
„ Manuel Regules.....	2.400,000 „	12,000 „	12 000 „	2 400,000 „
„ J. M. Camargo.....	1.600,000 „	8,500 „	7.500 „	1.600,000 „
„ Luis G. Barreiro.....	4.581,944 76	60,611 „	20,000 „	4.581,944 76
„ Manuel Regules.....	1.317.500 „	8.790 87	4,395 87	1.317.500 „
„ Francisco Morphy...	9.589,799 17	132,284 37	52.840 „	9.589,799 17
	52.136,651 93	1.644,160 94	246,770 81	52.136,651 93

ISSUED BY CONVERSIONS OF CREDITS AND CAPITALIZATIONS.

	Amount of the Bonds issued.
D. José Romero	$ 5,096 00
" José Rusy	762 00
" Guadalupe Delgado	1,526 00
" " "	468 00
" Cárlos G. Peza	5,054 00
Dª Margarita Peña	5,808 00
D. Manuel Jimenez S	544 00
" Ignacio Cosio	712 00
" M. Ochoa y Martinez	762 00
" José Pagaza	332 00
" Miguel Tentori	422 00
" Luis Gonzalez	1,186 00
" T. Salgado	1,996 00
" Francisco G. Salcedo	1,556 00
" " "	876 00
Dª Juana Ceron	30 00
D. Fernando Batres	2,164 00
C. A. de S. Fernando	114,002 00
D. Luis G. Pagaza	220 00
" Agustin Diaz	346 00
" José S. Monasterio, for the Convent of Instruction	85,212 00
" Francisco Quintero	692 00
" A. Arteaga	3,216 00
" Francisco Pardo	100 00
" Mariano Pujol	202 00
" Anselmo Gomez	350 00
" Andres Goytia	630 00
" J. Salazar Ilarregui	5,690 00
" Manuel Icaza	1,252 00
" A. Arteaga	2,742 00
" Miguel Maria Castillo	4,104 00
" Luis Riquelme	1,638 00
" Juan Asúnsulo	466 00
" Juan Barbedillo	284 00
The Monastery of the Soledad	1,122 00
D. Camilo R. Landa	656 00
" José A. Solis	1,046 00
" Francisco G. Salcedo	14,822 00
" Francisco Murphy	14,822 00
Forward	$ 282,908 00

Forward	$ 282,908 00
D. Luis G. Movellan	356 00
„ Francisco Ortega	100 00
„ Francisco Blanco	54 00
„ José María Salas	1,174 00
„ José María Corona	416 00
„ Ignacio Algara	416 00
„ José Mangino	200 00
Dª Rita Franco	908 00
D. Juan Arozamena	1,646 00
„ Francisco Blanco	80 00
„ Anastasio Zerecero	25,000 00
Dª Dolores Diaz Noriega	598 00
„ María G. Salinas	1,646 00
D. J. M. S. Hidalgo	15,578 00
„ Agustin Rayon	3,216 00
„ José María Torres	9,696 00
„ Ignacio Altamira	3,746 00
„ Máximo Hernandez	348 00
„ Javier Cervantes Ozta	508 00
Dª Anastasia Villamil	610 00
D. S. Palma, Brothers	800 00
Dª Dolores Peredo	500 00
D. José María Maldonado	60 00
„ Agustin Suarez Peredo	582 00
Bishoprick of Guadalajara	23,016 00
D. D. S. Molinos	774 00
„ Pedro Elguero	876 00
„ Anselmo Cortazar	852 00
D. P. P. Iturria	1,154 00
„ A. Moreno	558 00
„ Manuel Celarain	7,184 00
„ José María Salas	538 00
„ A. Martinez	290 00
	$ 369,650 00

RECAPITULATION.

Bonds issued for "refaccion".....	$ 4.673,576 00
D.° „ „ sundry contracts.....	52.136,651 93
D.° „ „ conversion of old credits.....	369,650 00
Total.....	$ 57.179,877 93

Amount produced by issuing the bonds.

	In Cash.	In Credits.
By the $ 4.673,576 00 issued for "refaccion.".	$ 196,373 00	19,633 68
By the $ 52.136,651 93 issued for sundry contracts.....	246,770 81	1.644,160 94
By the $ 369,650 00 issued for the conversion of credits.....		369,650 00
Total produce.....	$ 443,143 81	$ 2.033,144 62

COMPARISON.

Amount of the representative value of the Bonds, issued according to the foregoing statement.....	$ 57.179,877 93
The Bonds that were printed and received by the General Treasury amount to $ 48.455,690 00; but deducting.... $ 1.878,426 00 which still exist, there remains.....	46.577,264 00
Difference corresponding to the Bonds that ought to be redeemed, and were again put into circulation by orders given for that purpose.....	10,602,613 93
Of the sum of $ 6.250,000 that D. Tomas Horncastle received in Bonds, as a guarantee for.....	250,000 00
which he delivered in military clothing, he has been repaid $ 881,900 00, which in proportion corresponds to.....	35,276 00

that were paid to him in cash.

The $ 6.250,000 that appear as having been issued to Don Guillermo Gordon' were also in guarantee of another sum of $ 250,000 for military clothing he contracted; but from the entries in the accounts it does not appear that more than $ 164,319 37 cts. were delivered, consequently owing $ 85,680 63 cts., which, perhaps, may have been covered, but that the extinct General Commissary did not enter it, respecting which the necessary inquiries shall be made.

Besides the sum of $ 1.747,408 that appears to have been issued of the Peza Bonds to D. Tomas Iglesias, he was paid $ 1.252,592 83 cts. by those of 3 and 5 per cent., according to the law of the 30th. of November 1850, for the completion of $ 3.000,000 referred to in the contract.

The $ 700,000 delivered to Don J. M. Camargo, were as security for $ 28,000 which he should have been paid on account of extraordinary war expenses; but it does not appear that the Commissary made any entries to show that this sum had been paid.

In the sums that appear as paid by credits and bonds, are also comprised those received for rations, clothing, and effects; without having particularized these deliveries separately, not to make the account more complicated, and because the Chamber only wishes to be informed of the amount produced in cash by the Bonds transaction.

According to the foregoing demonstration, the Peza Bonds were issued for four reasons, viz: "*refacciones*," conversion of credits, capitalization, and contracts. The amounts that result from said operations are the following:

By "refaccion"	$	4,673,576 00
„ contracts		52,136,651 93
„ conversion of credits and capitalization		369,650 00
Total of bonds issued	$	57.179,877 93

If it be admitted that the procedure has been just and legal to receive the old bonds in exchange for the new ones, if in reality any money has been delivered in the Public Treasury for "refaccion," contracts, conversion of credits, &c., the operation of the Peza Bonds may be reduced to the following demonstration:

In bonds for "refaccion"	$	4.477,203 07
In cash for "refaccion"		196,373 00
In cash on the contracts		246,770 81
In conversion of credits and capitalization		369,650 00
In credits, including bonds		1.663,494 62
Received by the Government	$	6.953,491 43
Total bonds issued		57.179,877 93
Loss suffered by the Nation on the contracts	$	50.226,386 50

Mexico, December 11th. 1861.—*Juan Suarez y Navarro.*

STATEMENT

of the Redemption of the Peza Bonds by the general Treasury, during the year 1860.

	Bonds with 6 per cent interest.	Interest of these bonds.	Bonds without interest.	Bonds with 12 per cent interest.
January	477 60	37,447 70	1,160 26	
February	6.090,597 66	85,519 72	12,514 63	1,182 00
March	101,664 74	1,670 68	77 11	1,140 00
April	6.255,566 35	137,506 24	800 00	
May	19,324 79	617 80	62 00	
June	15,175 29	313 66	179,147 67	
July	491 40	21 99	16,505 82	
August	923 10	48 09		
September	11,049 37	550 80	139,150 32	
October	97,935 95	5,037 72	70,552 71	
November	2.032,669 57	117,727 53	2.343,420 00	
December	184,530 73	2,362 25	555,962 00	
Total	14.810,406 55	388,824 18	3.319,352 52	2,322 00

SUMMARY.

Value of the 6 per cent. redeemed bonds	$ 14.810,406 55		
do. do. which bear no interest	3.319,352 52		
do. do. 12 per cent bonds	2,322 00		
		$18.132,081 07	
Interest on the 6 per cent. bonds		388,824 18	
Total		$18.520,905 25	

General Treasury of the Nation. Mexico, April 10th. 1862.

Agustin Pardo y García.

GENERAL SUMMARY

OF SUMS PAID TO ENGLAND, SPAIN AND FRANCE.

ENGLAND.

Paid to the Bondholders for redemption and interest	29.585,937 94	
To D. Pedro Anzoátegui, for various English Subjects	88,548 00	
„ Drusina for d.° d.°	128,210 00	
„ D. Francisco Morphy	64,402 00	
„ Jamison & Co	19,674 00	
„ Various English subjects	6,132 00	
„ D. Santiago Humphry	3,445 00	
„ Walter Logan	118,750 00	
„ D.° D.°	74,000 00	
„ D. Silvestre Mercia	1,800 00	
„ Sundries for conventions and other claims	5.475,514 73	
„ D.° for the San Luis "conducta"	253,603 44	
„ D.° on account of the Laguna Seca	428,461 54	
		36.193,473 65
Forward	$	36.193,473 65

Forward.....		$ 36.198
SPAIN.		
Paid to the house of Martinez del Campo	105,919 00	
Do Manuel Lasquetty.....	23,313 00	
Do to various for the first Convention, on account of interest.....	424,971 37	
Paid on account of the credits of P. Moran for capital and interest from 1845 to June of 1861.....	684,037 40	
		1.288
FRANCE.		
Paid for the claims of 1848 after the bombardment of Ulua and Vera Cruz	$ 600,000 00	
Paid in 1850 & 1851 to Don José Cavalier...	107,800 00	
To Don José Limantour.....	160,000 00	
To Don Cárlos Dubois de Luchet.....	73,000 00	
To Don Adolfo Delong.....	28,000 00	
To Don Luis Cavalier.....	3,001 00	
To Baron Norman.....	5,000 00	
To Legrand, Brothers.....	3,246 00	
To Francisco Duvall.....	1,500 00	
To Teodoro Boulanger.....	1,800 00	
To J. A. Redonet.....	60,057 00	
To Luis Fort.....	11,250 00	
To Serment P. Fort and Co. for the first French Convention.	1.124,287 47	
To Jecker, Torre & Co., for the second Convention.....	109,143 00	
To Mr. Julio Raillard.....	70,383 93	
To various for the third Convention..... ..	1.183,769 57	
Jecker Bonds redeemed at par in the public offices of Mexico in 1859 & 60.....	544,127 00	4.086
Total.....		$ 41.518

GENERAL SUMMARY

OF VARIOUS BRITISH, SPANISH & FRENCH SUBJECT'S CLAIMS AGAINST THE MEXICAN REPUBLIC, TO THE END OF JUNE 1862.

ENGLAND.

ON ACCOUNT OF CAPITAL.

Balance of Capital in favor of the Bondholders of London.....	51.208.250	00
Balance of the third & last English Convention.	4.175,000	00
Balance of the account of the Conducta of San Luis.....	7,513	67
Balance of the account of Laguna-Seca, in which are included various French & Spanish subjects.....	838,151	03
Balance of Capital & interest, to the 1st. of May of this year, of the claim of San Acacio.	65,816	68
Balance of the claim of Mr. Henry Dalton, up to the 4th. June 1860.....	79,655	72
(Dulton has to return to the General Treasury, an order on Mazatlan, and $ 103,839 68 cts. in Bonds).		
Forward.....$	55.874,887	10

Forward..... $	55,874,387 10	
To Barron, Forbes, for certificates, numbers 79 and 80, proceeding from the "conducta" taken by Marquez in Guadalajara, for what was loaned in this Capital, and interest until the end of April of the present year....	94,845 47	
Balance due to Don Eduardo José Perry, by an arrangement made with the Government.	81,000 00	
Don Cárlos Whitehead for the sum claimed for expulsion.....	12,000 00	
Don Tomas Worrall for the same reason, and three years interest.....	17,700 00	
Don Nathaniel Davidson for the "conducta" taken in Guadalajara by Marquez.....	431 94	56.079,864 51
ON ACCOUNT OF INTEREST.		
Balance of interest due in favor of the Bondholders, to the end of June.....	13.058,103 75	
Do. in favor of the Bondholders of the Convention, to the 4th. December 1861..... ..	93.689 55	
Interest and expenses due on the Laguna-Seca. A calculation of 24 per cent. is made until the total amount be paid.....	80,000 00	13.231,793 30
		$ 69.311,657 81

SPAIN.

ON ACCOUNT OF CAPITAL.		
By balance of the capital of the first Convention	6.638,423 11	
By balance of Padre Moran's credits.....	825,000 00	
To various Spanish subjects for losses and damages caused in the revolution, which accounts are in liquidation or course of payment.....	400,000 00	
To sundries for balance of the "conducta" taken by Marquez in Guadalajara.....	53,000 00	7.911,423 11
ON ACCOUNT OF INTEREST.		
By balance of the first Convention, up to the 14th. February 1862.....	1.524,174 87	
By do. on Padre Moran's credits, up to December 1861.....	25,388 81	1,549,563 18
Total.....		$ 9,460,986 29

FRANCE.

ON ACCOUNT OF CAPITAL.

Balance of the third Convention.....	190,000 00	
To Juan B. Jecker for disbursement of capital in the Bonds affair.....	1.600,000 00	
To sundries for losses and damages caused in the revolution.....	155,917 00	
To sundries for the "conducta" taken by Marquez in Guadalajara, and other claims.....	90,000 00	
To sundries for sums taken in Guanajuato and other places.....	65,000 00	
Estimate of claims pending proof and adjustment.....	330,000 00	2.430,917 00

ON ACCOUNT OF INTEREST.

A monthly interest of 1 per cent. is calculated for two years on the cash employed by Jecker in the Bonds affair.....	384,000 00	
Estimate of interest that will have to be added on the adjustment of certain claims.....	45,000 00	429,000 00
Total.....		$ 2.859,917 00

GENERAL SUMMARY.

To English subjects.....	69.311,657 81	
To Spanish „	9.460,986 29	
To French „ (including Jecker's Bonds)	2.859,917 00	
Total debt.....	$ 81.632,561 00	

FUNDS FROM CAPUCHINAS.

Amount of remittances made in Bills from the Custom-Houses by the Constitutional Government		$ 877,361 94
Taken by General Marquez	660,000 00	
Remitted by the agent of the Bondholders, in the "conducta".....	194,477 21	
Account of expenses made by the said agent..	22,884 78	
Equal.....		$ 877,361 94

NOTES.

1st. The sum taken in Capuchinas in not included in the debt due to various English subjects, because it is comprised in the liquidation of interest on the debt contracted in London.

2nd. Neither does it compose the claims for the 10 per cent. recovered in 1839 on consumption duties, ("derechos de consumo") because one part of this account is not adjusted, nor the resolutions approved of by the Government which were made by the mixed Committee on this question, and moreover, the amount of the claims do not only belong to British subjects, but also to French, Spanish, and Germans: therefore, this matter cannot be considered as terminated, and it will be necessary to form for this, and many other affairs that are pending, an adjustment Committee.

3rd. For the same reasons several claims are omitted for goods confiscated, losses by fire, and others, because the limited time has been insufficient to examine old and voluminous documents in order to form an opinion on the subject and to fix the amounts; but these affairs and others that may have been omitted, will necessarily be matter for adjustment, inasmuch as it cannot be imagined that Her Britannic Majesty's Minister, nor any other, can exact the acknowledgment and payment of debts, without permitting the Mexican Government to examine the accounts and demand the documentary evidence.

OBSERVATIONS

ON THE FOREGOING SUMAMRY AND THE ACCOUNTS CONTAINED IN THIS MEMORIA.

More than one half of the 41.500,000 dollars that appear in the general Summary has been paid from the year 1850 to the present date, by appropriating for that purpose a considerable portion of the sum received by Mexico as indemnity for the territory ceded to the United States of the North. Nothing more than the amounts paid on the Debt contracted by Mexico in London and the claims of various British subjects are included in these accounts, in which the Legation has interferred, sometimes officially and at others in a confidential and friendly manner; but if we were to form a summary of the immense number of orders, bills, and certificates paid continually by the Government for the multitude of affairs which foreigners have therewith, we should make the amount ascend to 60.000,000 of dollars; and to mention one case, we will state:—that a single contract fort military clothing, made by a Frenchman, D. Pedro Laforgue, exceeded a million of dollars, of which amount nothing remains unpaid.

In the summary of the account of capital and interest all the claims are included, (some adjusted and others yet remain to be), of which it has been possible to gather information without being able to estimate the greater part of those in the Department for Foreign Affairs, wherefore they are not comprised in the above mentioned summary; but, as may be observed on examination of the notes specified and inserted herein, the whole cannot exceed the sum of 300,000 dollar s

Respecting the rest, it may be noticed by the particulars of the accounts:

First. That the greatest amount due by Mexico, arises from the Debt contracted with the Bondholders, a Debt that has increased by the series of ruinous operations made, and by the accumulation of interest.

Second. So far as regards the Conventions, there are many remarks to be made, highly favorable to the Republic. The Tribunals have always decided in favor of foreigners, without exception, and without its being possible to present an instance to the contrary, and the Government has complied with all the sentences; and when the fulfilment has been interrupted by any political event, the interested parties have been amply recompensed by increased interest, and by permitting the introduction of credits which have not cost them above 5 or 6 per cent. on their value.

And lastly, by even tolerating the usury so much reproved by the Romans that is, the system of compound interest. The balance for interest of the English Convention is the small sum of 93,000 and odd dollars, and it is scarcely credible that, for such an amount, England can have signed a Convention to invade the territory of a friendly country; because, as regards the debt of the Bondholders, no diplomatic compromise exists, and the Legation of Her Britannic Majesty has only recently been able to interfere, in consequence of the extraction of the money from the Capuchinas Street, in which the Constitutional Government had no part.

Perhaps, out of the three nations that signed the London Convention, the only one that has the greatest reasons of complaint is Spain; because the ten years dispute on the Convention—the expulsion of Sr. Pacheco—and the lamentable assassinations perpetrated on some Spaniards, gave cause to believe that they were all deliberate acts of the Government, with the object of offending and outraging Spain and definitively, to break off the friendly relations; but examining the events with impartiality, the result is very different, and the most that in reason can be said is, that *questions* have existed; but not that Mexico has been capable of deliberately giving offences, and committing abuses and outrages.

France has not, absolutely, a shadow of reason. The accounts contained in this Report present a series of three Conventions, not only regularly paid, but also with great exactitude, notwithstanding the circumstances in which the country was placed, when, both the reactionary troops of the Capital and the Constitutional forces at Vera Cruz had not wherewith to eat, whilst the Bonds of the French Convention were sold at par.

There is not a French Subject who may have appealed to the Tribunals, who has not had prompt and strict justice administered to him; amongst whom may be mentioned the said Mr. Jecker, who has had thousands of different affairs with the Government, all of which have been liquidated and paid.

During the period of the ecclesiastical "desamortization," the property has been divided, not only with equality, but with preference, between foreigners, more especially amongst the French; and, as can be shown from statistical data, many Companies have acquired the property possessed by the ancient corporations that

were destroyed by the Reform, all of which, without exaggeration, has been obtained for a mere trifle, as the author of this Report could prove, if he only had a fortnight to spare for that purpose.

The imagination can hardly conceive how the heir to the glory of Napoleon the Great, has been capable of invading a Republic united in sympathies with France, for the petty sum of 190,000 dollars; and we say 190,000, because we cannot comprehend why the Jecker affair,—which has not passed through the Tribunals and which was effected purposely to agitate the Civil war so much complained of by Europeans, throwing on us all the blame,—can even be a matter for diplomatic consideration, when in analogous cases the subjects of all other nations, without excepting Mr. Jecker, have appealed to the Court of Justice.

In reference to this question we ought to repeat that the difficulties of the house of Jecker did not originate from the transaction of the Bonds; his failure occurred in May 1860, and not until January 1861 was the former suspended.

We have searched with the greatest scrupulosity in all the offices for the French Claims, and even by conceding to the Jecker affair a monthly interest at the rate of 2, 3, or even 4 per cent., we have not been able to complete one half of the amount referred to by Mr. Thouvenel in his instructions to the Admiral.

The Mexican Republic has made unheard-of efforts to fulfil her compromises, and, perhaps, has done more than any other country in the world; because, besides the war of Independence and civil discord, she has had, during forty years of existence, five foreign wars, all unjust, and that can now be recorded in the annals of history, which do not flatter or deceive. Therefore, if there be no other grand political design in Europe, the simple fact of coming to recover debts, by invading the country and taking possession of its maritime revenue, will, in a short time—even in Europe itself—be qualified as highly unjust and altogether useless, because the more the aggressions that may be made against Mexico, the less she will be able to pay her debts and cement her internal peace.

SUNDRY CLAIMS

OF ENGLISH, FRENCH AND SPANISH SUBJECTS, IN THE YEARS 1861 AND 1862.

Although the days we have been able to dispose of were few, we have endeavored to give an idea of all the pending claims; and of those which exist in the Foreign Department we have formed a rough extract, separating the Spanish from the French and English.

As may be observed by the impartial reader, these claims principally arise from the revolutionary state throughout our country, which, unfortunately, does not yet cease;—they originated by the seizures of mules, wagons, or by grain taken by various parties of troops. The majority of these complaints should have been addressed to the subaltern authorities, but, nevertheless, the Minister for Foreign Affairs has condescended to consider them at once, and to dispatch the greater part with justice. No matter how many orders may be dictated, as in reality they have been, it is impossible to prevent the subaltern authorities from seizing mules and wagons, the ownership of which cannot be immediately ascertained, whether they belong to Foreigners or Mexicans; and it frequently happens that the latter avail themselves of a Spanish agent to say that the property belongs to him, in order to avoid the consequent losses or injuries.

There is not a Foreigner but refuses to pay the taxes decreed by the Government, under the pretext of their being war contributions. When a country is in a state of revolution, the most essential expenditure is caused by the forces, therefore it is very easy to say, that the whole are war contributions, and in this manner fill the Ministerial Offices with claims. Neither is it possible, in a country not in the enjoyment of peace, to prevent all the inhabitants from suffering more or less; but from the extract of the documents, the most that can be observed is the inevitable abuses of the subaltern authorities, and of the forces that cannot be subject to the Military Ordinance; but this same extract not only proves that there are no outrages or acts of injustice on the part of the Constitutional Government, but that, on the contrary, it endeavors and is anxious to repair, as far as possible, the damages that Foreigners may suffer, without taking into consideration the present occupation of the port of Vera Cruz, and the disembarkment of armed forces, which, at the least, might produce indifference on the part of the public authorities, until such time as friendly relations be reestablished.

It is also unnecessary to say, that none of these claims,—either from their slight importance, or because they have been attended to by the Government, and many of them dispatched,—give cause, of themselves alone, to interrupt the friendly relations, to invade the territory, and to take possession of the revenue of the most important port.

We have not been able to reduce to figures the large list of petty Claims, which would scarcely have occupied in England or Spain the attention of a magistrate, because some of them are already paid, others in course of payment, and of others, the amount has not yet been determined upon.

ENGLAND.

CLAIMS OF SUNDRY BRITISH SUBJECTS.

(1861 & 1862.)

SEIZURE OF THE FUNDS IN THE CALLE DE CAPUCHINAS.

Mr. Mathew, the Charg'e d'affaires, demands the apprehension of the guilty parties and asks for an arrangement for the payment of the funds extracted, amounting to $660,000.

The Government ordered the apprehension of the Ex-Colonel Antonio Jáuregui, the Notary Simon Negreiros, José Maria Silva, Juan Chavez, Captn. Ignacio Villanueva and the Ex-Commissary Francisco Montero. With the exception of the last named, the others had escaped. General Miramon was apprehended in Vera Cruz by the English forces, and afterwards put at liberty and re-embarked for the Havannah. The arrangement for the reimbursement of the sum taken in Capuchinas is still pending, but this has not been the cause of any misunderstanding between H. B. M's. Legation and the Constitutional Government, and upon this point Mr. Mathew's note of the 22nd. February 1861 (Letter A) is worthy of attention.

ASSASSINATION OF MR. EDWARD BODMER, ENGLISH CONSUL AT TASCO.

On the 11th. of January, the reactionary band of Vicario, entered that mining district, and Mr. Bodmer having approached his window to prevent the ill-treatment of a neighbour, D. José de la Peña, the bandits fired two shots, one of which killed Mr. Bodmer. Orders were immediately given for the apprehension of the supposed perpetrators of this crime; but as they belonged to Vicario's band, which is still in rebellion, only two or three persons were taken up and delivered over to the tribunals.

GUANAJUATO MINT.

Messrs. Graham Geaves & Co., claim the payment of $9,000 which was still owing them for funds taken from the Guanajuato Mint. Orders were given for their payment.

SEIZURE OF WAGGONS.

In the month of February, Pueblita's Brigade "seized" eight waggons belonging to the English subject Mr. Henry Fute. Orders were given to pay him $1,262 50 in Mexico and Durango.

LOAN.

Mr. Albert Mackintosh made a voluntary loan to Colonel Aureliano Rivera, and was ordered to be paid the amount $ 2,210.

MINT OF ZACATECAS.

H. B. M's Legation, claimed damages suffered by this mint, arising from the decree issued by Don Santiago Vidaurri, the Governor of New Leon, on the 6th. of February 1858, permitting the exportation of silver in bars ("plata pasta)" through the Custom Houses of the River Bravo. The Minister of Finance published a circular, dated the 18th. of April, prohibiting rigourously the exportation of Gold and Silver in bars, from all the ports of the Republic.

LOSS OF FURNITURE.

Daniel Owens claimed the payment of certain furniture destroyed by the Constitutional Forces. This affair was recommended by H. B M's Legation, and ordered to be paid.

CLERGY PROPERTY.

H. B. M's Legation claimed that which had been bought by Mr. Nathaniel Davidson, and being informed of the arrangement made by the Minister of Finance, said Legation was entirely satisfied.

LO.

Mr. Charles Whitehead claimed the validity of the contract for a house he had bought, and the matter was regulated in the Department of Finance, the claimant agreeing to deliver $ 10,000 in Bonds of the interior debt. The Legation was quite satisfied.

GENERAL CLAIMS.

Correspondence between the Legation and the Minister of Foreign Affairs upon the establishment of a mixed Commission for their qualification and adjustment. This matter remained pending.

DUTIES ON COCHINEAL.

H. B. M's Legation, manifested that an export duty had been imposed on the Cochineal of Oaxaca. The Government ordered that it should pay no duty whatever.

EXPULSION.

The English Doctor James Phillips, exercising his profession in the Real de Catorce, without licence, assisted a patient very badly, and committed faults against the civil authority: he was expulsed from that mining department, and for this, claimed losses and damages. The Government decided that he should apply to the proper Tribunals.

CLERGY PROPERTY.

Messrs. Barron, Forbes & Co. claimed against a decree which declared the sales made by the reactionary Government null and void. This matter having been arranged by the Minister of Finance, the Legation was satisfied.

ASSASSINATION.

Mr. Stephen Bennett, was assassinated in Pachuca by a shot from a patrol who was searching for robbers. The soldiers were arrested, and the cause is being carried on for the examination of this affair.

INCREASE IN THE IMPORT DUTIES.

H. M's Legation claimed in respect to the variation that the Government had ordered to be made by the payment of 15 per cent. *in cash*, instead of 25 per cent. *in Bonds* as formerly paid. The notes from the Legation were transmitted to the Department of Finance, but nothing was resolved upon this point.

LEVY FOR TOLLS.

The Toll Department decided upon levying upon the English subject Mr. Edward Turnbull for what he was owing for tolls. The Government ordered the suspension of the levy, in consideration of the services rendered by Turnbull in repairing the roads. The Legation was satisfied.

ASSASSINATION.

A band of 30 or 40 robbers assaulted the farm at Napoles and assassinated Mr. Henry Beale: all the necessary steps were taken for re-establishing security in Tacubaya, and for the apprehension of the criminals: but nothing could be obtained, as the bandits fled the same night and joined with the parties of revolutionists in the mountains.

LAW OF THE PRESS.

Mr. William Moran, Editor of an English newspaper in Mexico, was indicted by the "Fiscal" of the Press for an article published by him, and was reduced to prison. He was liberated a few days afterwards, and nothing farther appears relative to this matter in the documents produced.

ASSAULT OF THE PACHUCA DILIGENCE.

A party of robbers attacked the Diligence and fired upon the passengers, by which Mrs. Benito Bennet was killed: a short time afterwards one Dolores Osorio was captured, accused as being the perpetrator of this crime; but having escaped from prison he joined the reactionary band of Ordoñez.

MISS DOLORES BARRON.

The English Consul complains that different parties of the reactionaries have levied contributions of money and arms in the estates of this lady.

DUTIES OF "CONTRA-REGISTRO."

The English Consul claims against the exaction of double duties from the house of Goun, Jones & Co. of Guadalajara. These documents are under examination, to ascertain if the law has been contravened.

INJURIES TO VARIOUS ENGLISH IN YUCATAN.

The English Consul represents the injuries suffered by them on account of the civil war in that Peninsula.

EMBARGO OF WAGGONS.

The Government orders the devolution of the waggons that had been taken from the English subjects David Morn and Patrick Desmond.

A.

BRITISH LEGATION IN MEXICO.

To His Excy. Sr. Don Francisco Zarco &c. &c.—The undersigned, H. B. M's Chargé d'affaires, has the honor to inform His Excy. Sr. D. Francisco Zarco, Minister of Foreign affairs, that he has just received important dispatches from his Government relative to the illegal outrage and robbery committed in Her Majesty's Legation in this city, by order of General Miramon and the members of His Government.

Her Majesty's Government has judged this act under the aspect it deserves, and has deemed it indispensable to adopt a course marking its reprobation; but at the same time wishes to avoid the necessity of taking steps that might occasion detriment to the Mexican population, which is innocent and was a simple spectator of the outrages committed by the former guilty Chiefs in this Capital.

Her Majesty's Secretary of State has therefore been pleased to authorize me, in the recognition of Presidente Juarez by H. M's Government, as the legal head of the Mexican Republic, *as also to offer the moral support of Great Britain* if His Excellency should be in conformity with Her Majesty's Government, in the due reprobation of the illegal outrage committed in Her Majesty's Legation, and agree to recognize the just claims of British subjects, for this and other acts of spoliation and violence suffered by them.

Her Majesty's Government, moreover, reserves the right of making the demands that may be necessary, in order to obtain reparation and satisfaction.

The undersigned sincerely flatters himself, because he is aware that this judgment has been already formed, in the principal points, by His Excy. President Juarez and his enlightened Ministers.

For this reason, therefore, the undersigned trusts with confidence, that the present note will be cordially replied to.

The undersigned &c.—Mexico, February 22nd. 1861.– (Signed.)—*George B Mathew.*

SPOLIATION.

The aforesaid Minister claims for that suffered by Don Tomas Iglesias of his "hacienda" of *Ayotla*, which was given to him in payment of the sums he supplied to General Robles whilst in custody of a conducta for Vera Cruz.

IMPRISONMENT.

The aforesaid Minister claims against the imprisonment of the Spaniards Igurquiza and Azcué by the Comandant Baijen in Cuernavaca. They were placed at the disposal of the judicial authorities, charged as conspirarsto.

GRAIN.

The aforesaid Minister demands that the Tribunals of Jalisco shall be ordered to administer justice to Señor Mijares, who complains of the seizure of maiz and other grain by the authorities of the State.

DAMAGES.

The aforesaid Minister presents the complaint of Don Juan Alonso, for the damage sufferred by him in his "hacienda", by the revolution of Tierra-Caliente.

IMPRISONMENT.

The aforesaid Minister presents the petition of Messrs. Casariego and Esleguel to be put at liberty. The Department ordered that the Judge should be recommended to bring the proceedings to an early conclusion.

FORCED LOAN.

The aforesaid Minister claims for the quota imposed on the Marquis de Pedreguera. The Government answered that this loan had been imposed in the belief that he was a Mexican Citizen, but, finding that he had again become a Spanish subject, the order was revoked.

DO.

The aforesaid Minister claims for the loan imposed on Don Ramon Portillo in Cuernavaca. Señor Portillo having proved his nationality, the order was revoked.

DO.

The aforesaid Minister claims for the loan imposed on Don Pio Bermejillo.—The order was revoked.

A.

Decree creating a special Fund for the payment of claims.

Secretariat of State and Department of Finance and Public Credit.—Under this date, His Excy. the Constitutional President of the Republic, *ad interim*, has been pleased to address me the following decree:

The Citizen Benito Juarez, Constitutional President, *ad interim*, of the United Mexican States, to all the inhabitants thereof, Know Ye:

That in use of the ample powers, with which I am invested, I have deemed fit to decree as follows.

Article 1st. There shall be established as a special fund for the payment of the claims, which by the present law should be satisfied by the Government on account of the appropiations made and damages suffered in the present war:

1st. The total proceeds of the sale of the edifices spoken of in the decree of the 24th. of October last, and of all other public buildings that have entered or may hereafter enter into the national dominion, in virtue of the precepts of the law of the 12th. of July 1859.

2nd. The 15 per cent. of the cash that may be received in the Treasury of the Federal Government, for redemptions of national capitals.

3rd. 50 per cent. of the import duties that remain free to the Government, in the port of Tampico.

4th. Such part, as may be possible, of the import duties remaining free to the Government in the Custom House of Veracruz, if, after ascertaining the full amount of the claims to be paid, and that of the fund assigned there to, it should appear that such payment is too dilatory.

Article 2nd. For the investigation and qualification of the claims that may be presented to the Government, a Committee of three persons shall be established, whose attributes shall be as follows.

1st. To examine the claims that may be presented to the Government, with which end, they shall assure themselves of the validity of the documents and vouchers; shall demand information from all the public offices and authorities, and summon parties to prove the facts, and give contrary evidence, whenever they may deem convenient.

2nd. To make a report to the Government on each case of claim, in regard to its validity, and at the same time to propose the sum which, in accordance with legal principles, ought to be awarded.

3rd. To administer the Claim Fund, and observe that the sums assigned thereto are scrupulously received.

4th. To make the following payment:

First. Of the sum taken by General Degollado from the "conducta," which holds preference over every other claim, from its being already recognized, and the guarantee specified for its payment, which guarantee is now confirmed and continued.

Second. Of the sums of money and effects, for the use of the Federal Army, which, it may be proved, were taken by those officers, whose authority was acknowledged by the Federal Government.

Third. Of the damages caused by order of said officers.

Article 3rd. The Committee shall have no jurisdiction over the claims founded upon injuries or offenses forming violations of common law, because these demands should be presented to the tribunals to be decided in conformity with the pre-existing laws.

Article 4th. Immediately the "conducta" money be paid up, the committee shall distribute every two months or more frequently if possible, the funds that may have been collected in these periods; such distribution to be made in due proportion, between those whose claims are adjusted, and ordered by the Government to be paid.

Given in the Palace of the Federal Government at Veracruz, this 17th. day of December 1860.—*Benito Juarez*—To the Citizen Melchor Ocampo, Minister of Finance and Public Credit."

And I communicate the same to you for your information.

God and Liberty. Heroic Veracruz, December 17th. 1860.—*Ocampo.*

SPAIN.

CLAIMS OF VARIOUS SPANISH SUBJECTS.

(1861 & 1862.)

EMBARGO OF WAGGONS.

The devolution of four waggons seized from Messrs Martinez & Co. is ordered.

MAIZ (INDIAN CORN.)

Payment is ordered of the loads of Maiz taken in the "hacienda" of Coapa from José Toriello Guerra.

SEIZURE OF MULES.

Don Victor Urquijo &. Don Manuel Chavarri, made complaint of the seizure of 75 mules and one mare. The War Department arranged with the parties, and bought their mules.

LOSSES AND DAMAGES.

Don Juan Sopeña claims $19,316 for the losses and damages suffered by him in "La Boca del Rio" (Vera Cruz.) The documents were ordered to be transmitted to the Section of Liquidations.

PRINTING OFFICE.

Don Miguel Zornoza, Director of the Printing Office of the late Boix, makes complaint of the ill treatment he received from Colonel Aureliano Rivera. An investigation of the matter was ordered to be made.

FORCED LOAN.

Don Cosme Errasti and Don Manuel Ruiz make complaint of the loans exacted from them in Cuernavaca. The Government ordered that they should be exempted therefrom, and that, if they had given any money, it should be returned to them.

CLAIMS

FOR LOSSES AND DAMAGES SUSTAINED IN THE TIME OF THE REVOLUTION.

The Constitutional Government—in spote of its heavy compromises,—has not forgotten for one moment to attend to the just complaints of the persons who haven been injured in their interests in consequence of the Revolution, and issued a decree in Vera Cruz, on the 17th of December 1860, a copy of wihch will be found in the Note A.

In virtue of this decree, a Board was installed, immediately the Government reached the capital, wihch commenced to adjust the documents passing them over afterwards to the Board of Finance created by the decree of July 17th.

The claims of Foreigners that have been presented and examined up to the present date, appear in the note marcked B, by which it will be observed that some have been liquidated and recognized, othersare in the course of examination, and others have been rejected for want of proper proofs or other causes.

The total amount of these claims does not exceed $ 1.200,000, and if up to this moment the French Subjects who have demands to make have not presented them, it is not the fault of the public authorities, who naturally, have had to fix certain rules and establish formalities, because the Public Treasury could not pay on the

simple "*ipsæ dixit*" of the parties interested. It is proved, moreover, that long before Mr. Thouvenel gave his instructions, and without any measures on the part of the Legation being necessary, the Supreme Government had already proceeded in accordance with justice.

We ought to observe, that upon the intelligence and uprightness with which the claims are investigated, depends the result that should correspond to the intentions of the Government; as in the contrary case, exaggerated and, perhaps, entirely illegal sums, will have to be paid. Nothing would be more appropiate than by electing persons of acknowledged probity and capacity in this class of business, to establish a Board, especially encharged with carrying on the investigation and adjustment of these accounts.

A.

Decree creating a special Fund for the payment of claims.

Secretariat of State and Department of Finance and Public Credit.—Under this date, His Excy. the Constitutional President of the Republic, *ad interim*, has been pleased to address me the following decree:

The Citizen Benito Juarez, Constitutional President, *ad interim*, of the United Mexican States, to all the inhabitants thereof, Know Ye:

That in use of the ample powers, with which I am invested, I have deemed fit to decree as follows.

Article 1st. There shall be established as a special fund for the payment of the claims, which by the present law should be satisfied by the Government on account of the appropiations made and damages suffered in the present war:

1st. The total proceeds of the sale of the edifices spoken of in the decree of the 24th. of October last, and of all other public buildings that have entered or may hereafter enter into the national dominion, in virtue of the precepts of the law of the 12th. of July 1859.

2nd. The 15 per cent. of the cash that may be received in the Treasury of the Federal Government, for redemptions of national capitals.

3rd. 50 per cent. of the import duties that remain free to the Government, in the port of Tampico.

4th. Such part, as may be possible, of the import duties remaining free to the Government in the Custom House of Veracruz, if, after ascertaining the full amount of the claims to be paid, and that of the fund assigned there to, it should appear that such payment is too dilatory.

Article 2nd. For the investigation and qualification of the claims that may be presented to the Government, a Committee of three persons shall be established, whose attributes shall be as follows.

1st. To examine the claims that may be presented to the Government, with which end, they shall assure themselves of the validity of the documents and vouchers; shall demand information from all the public offices and authorities, and summon parties to prove the facts, and give contrary evidence, whenever they may deem convenient.

2nd. To make a report to the Government on each case of claim, in regard to its validity, and at the same time to propose the sum which, in accordance with legal principles, ought to be awarded.

3rd. To administer the Claim Fund, and observe that the sums assigned thereto are scrupulously received.

4th. To make the following payment:

First. Of the sum taken by General Degollado from the "conducta," which holds preference over every other claim, from its being already recognized, and the guarantee specified for its payment, which guarantee is now confirmed and continued.

Second. Of the sums of money and effects, for the use of the Federal Army, which, it may be proved, were taken by those officers, whose authority was acknowledged by the Federal Government.

Third. Of the damages caused by order of said officers.

Article 3rd. The Committee shall have no jurisdiction over the claims founded upon injuries or offenses forming violations of common law, because these demands should be presented to the tribunals to be decided in conformity with the pre-existing laws.

Article 4th. Immediately the "conducta" money be paid up, the committee shall distribute every two months or more frequently if possible, the funds that may have been collected in these periods; such distribution to be made in due proportion, between those whose claims are adjusted, and ordered by the Government to be paid.

Given in the Palace of the Federal Government at Veracruz, this 17th. day of December 1860.—*Benito Juarez*—To the Citizen Melchor Ocampo, Minister of Finance and Public Credit."

And I communicate the same to you for your information.

God and Liberty. Heroic Veracruz, December 17th. 1860.—*Ocampo.*

B.

Claims for damages and injuries caused by the Revolution.

Numbers				
	1	Mr. Mackintosh.....	ordered to be paid....	$ 2,250 00
	2	Santiago Kern.....	do. do.....	7,210 50
	6	Luis G. Movellan.....	do. do.....	8,000 00
	7	José del Juncal.....	returned to the claimant	1,861 00
	10	Cárlos Linder.....	pending	100,000 00
	13	Luis de Pasos Nieto....	do.....	18,460 00
	14	Francisco Velez de Elorza	returned.....	8,911 00
	18	Raimundo Mora	do.....	4,777 72
	20	Sebastian Lopez.....	in consultation for payment.....	42,388 00
	87	Jorje Bierfen.....	rejected	50 62½
	89	Francisco Gonzalez Collantes	pending	94,393 50
	45	Antonio Lamberg.....	do.....	725 25
	49	Pascual Labaig.....	rejected	48,127 50
	57	Heyman Bentan & Co..	pending.....	10,000 00
	58	L. W. Morrel	do.....	
	64	Fidel de Moure.....	rejected.....	8,640 00
	69	Joaquin Sander	ordered to be paid....	1,578 00
	70	Marcos Planchet.....	pending...	45,000 00
	71	Matias Pelochena.....	rejected	5,586 87
	72	Vicente de la Fuente...	in consultation.....	69,234 85
	73	Ezequiel Steele.....	rejected.....	42,200 00
	80	Guillermo Janfsen.....	do.....	19,146 00
	92	Enrique Fute.....	do	16,579 50
	101	Victor Morange.....	returned.....	5,346 00
	102	Agustin Masse.....	ordered to be recognized	10,182 25
	112	Pedro Sieck & Co.....	ordered to be paid....	468 69
		Forward.....		$ 556,067 25½

	Forward.....	$	566,067 25½
120	Carlos Senties	pending	2,907 25
123	Santiago Salmon	rejected.....	5,010 00
129	Gabor Naphegy.....	do.....	8,000 00
139	Juan Leroux.....	ordered to be paid....	10,600 00
144	Juan Lalande.....	do do....	1,814 84
162	Rafael Tarbe	do do....	1,173 12
147	Antonio Ressonico.....	.....	
175	J. Prouvillo & Co.....	rejected.....	64,819 00
181	Adolfo Rassin.....	ordered to be paid....	160 00
191	Justo Breton	do do.....	3,940 62
204	Adrian Souberville	do do.....	100 00
211	Dantan....	pending.....	1,500 00
216	Thevenaud	do.....	4,903 06
224	Juan C. C. Hill.....	rejected	29,964 00
231	Thomas Gillow.....	recognized.....	2,055 00
235	Maqua	ordered to be paid....	5,003 00
247	Joaquin C. de Lans....	pending	674 00
248	Edward Turnbull	rejected....	3,162 00
249	José Leyssens.....	pending	100 00
253	Eduardo Strybos.....	recognized.....	3,626 60
255	J. J. Schmidt & Co....	ordered te be paid....	700 00
289	Antonio Gayol.....	pending.....	30,510 00
292	José Rost y Prats.....	do.....	32,047 75
294	Rafael Solalinde.....	recognized	1,570 00
310	Jacobo Hantz.....	rejected.....	335 75
311	Julio Robreau.....	do.....	3,758 00
317	Davidson.....	pending.....	190 73
332	Bartolomé Tailleur.....	recognized	141 00
336	René Valadié.....	do.....	428 30
362	Maqua.....	pending	1,348 00
374	Prida.....	rejected.....	1,128 10
381	Mecietle.....	pending	300 00
382	Bonhomme	recognized	20,934 50
388	Boix.....	do.....	1,546 00
393	Huarte	pending.....	11,702 00
397	German Schultz.....	rejected.....	378 37½
398	Imhof.....	recognized	45 00
399	Crespo y Junco.....	pending	30,900 72½
408	Hawley.....	recognized	270 00
410	Ana Johnson.....	pending.....	21,997 50
417	J. Junco	do.....	1,500 00
421	Mendieta.....	do.....	1,024 00
	Forward.....	$	877,906 36½

	Forward.....	$	877,906 36½
422	Señora Riench.....	pending.....	2,000 00
435	Junco.....	do	5,612 00
437	Farine.....	do	120 00
446	Vidaurrázaga.....	do.....	9,800 00
452	Muriel.....	returned.....	6,857 49½
454	Parres & Co.....	recognized	21,278 69
456	Fidel de Moure.....	returned.....	761 50
476	Barron.....	pending	3,683 25
487	Fidel Moure	do	1,327 84
488	J. Mau y Muñoz.....	do.....	
491	Juan Meineck.....	do	232 00
492	Hartmann.....	consulted	550 00
493	Alonso.....	pending.....	154,626 00
	Santiago Evans.....	recognized	2,230 18
	Larrauri.....	returned.....	67,727 59
	Bruno Martin.....	pending	12,510 00
	Oleire & Co.....	do.....	2,041 29
	Baille.....	do.....	525 00
	Gabor Naphegy.....	do.....	8,245 95
	Stribos.....	do.....	
	Cañizo.....	do.....	34,520 00
	Total.....	$	1.212,485 16

This statement amounts to One Million, two hundred and twelve Thousand four hundred and Eighty five dollars, sixteen cents.

Mexico, April 14th. 1862.—*Dámaso Martinez.*

CLAIMS

FOR LOSSES AND DAMAGES SUSTAINED IN THE TIME OF THE REVOLUTION.

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2nd. To make a report to the Government on each case of claim, in regard to its validity, and at the same time to propose the sum which, in accordance with legal principles, ought to be awarded.

3rd. To administer the Claim Fund, and observe that the sums assigned thereto are scrupulously received.

4th. To make the following payment:

First. Of the sum taken by General Degollado from the "conducta," which holds preference over every other claim, from its being already recognized, and the guarantee specified for its payment, which guarantee is now confirmed and continued.

Second. Of the sums of money and effects, for the use of the Federal Army, which, it may be proved, were taken by those officers, whose authority was acknowledged by the Federal Government.

Third. Of the damages caused by order of said officers.

Article 3rd. The Committee shall have no jurisdiction over the claims founded upon injuries or offenses forming violations of common law, because these demands should be presented to the tribunals to be decided in conformity with the pre-existing laws.

Article 4th. Immediately the "conducta" money be paid up, the committee shall distribute every two months or more frequently if possible, the funds that may have been collected in these periods; such distribution to be made in due proportion, between those whose claims are adjusted, and ordered by the Government to be paid.

Given in the Palace of the Federal Government at Veracruz, this 17th. day of December 1860.—*Benito Juarez*—To the Citizen Melchor Ocampo, Minister of Finance and Public Credit."

And I communicate the same to you for your information.

God and Liberty. Heroic Veracruz, December 17th. 1860.—*Ocampo.*

B.

Claims for damages and injuries caused by the Revolution.

Numbers				
	1	Mr. Mackintosh.....	ordered to be paid....$	2,250 00
	2	Santiago Kern.....	do. do.....	7,210 50
	6	Luis G. Movellan.....	do. do.....	3,000 00
	7	José del Juncal.....	returned to the claimant	1,861 00
	10	Cárlos Linder.....	pending	100,000 00
	13	Luis de Pasos Nieto....	do.....	18,460 00
	14	Francisco Velez de Elorza	returned.....	8,911 00
	18	Raimundo Mora	do.....	4,777 72
	20	Sebastian Lopez.....	in consultation for payment.....	42,388 00
	37	Jorje Bierfen.....	rejected	50 62½
	39	Francisco Gonzalez Collantes	pending	94,393 50
	45	Antonio Lamberg.....	do.....	725 25
	49	Pascual Labaig.....	rejected	48,127 50
	57	Heyman Bentan & Co..	pending.....	10,000 00
	58	L. W. Morrel	do.....	
	64	Fidel de Moure.....	rejected.....	8,640 00
	69	Joaquin Sander	ordered to be paid....	1,578 00
	70	Marcos Planchet.....	pending...	45,000 00
	71	Matias Pelochena.....	rejected	5,536 87
	72	Vicente de la Fuente...	in consultation.....	69,234 85
	78	Ezequiel Steele.....	rejected.....	42,200 00
	80	Guillermo Janfsen.....	do.....	19,146 00
	92	Enrique Fute.....	do	16,579 50
	101	Victor Morange.....	returned.....	5,346 00
	102	Agustin Masse.....	ordered to be recognized	10,182 25
	112	Pedro Sieck & Co.....	ordered to be paid....	468 69
		Forward.....$		556,067 25½

	Forward.....$		566,067 25½
120	Carlos Senties	pending	2,907 25
123	Santiago Salmon	rejected.....	5,010 00
129	Gabor Naphegy.....	do.....	8,000 00
139	Juan Leroux.....	ordered to be paid....	10,600 00
144	Juan Lalande.....	do do....	1,314 84
162	Rafael Tarbe	do do....	1,173 12
147	Antonio Ressonico.....	.....	
175	J Prouvillo & Co.....	rejected.....	64,819 00
181	Adolfo Rassin.....	ordered to be paid....	160 00
191	Justo Breton	do do.....	8,940 62
204	Adrian Souberville	do do.....	100 00
211	Dantan....	pending.....	1,500 00
216	Thevenaud	do.....	4,903 06
224	Juan C. C. Hill.....	rejected	29,964 00
231	Thomas Gillow.....	recognized.....	2,055 00
235	Maqua	ordered to be paid....	5,003 00
247	Joaquin C. de Lans....	pending	674 00
248	Edward Turnbull	rejected....	3,162 00
249	José Leyssens.....	pending	100 00
253	Eduardo Strybos.....	recognized.....	8,626 60
255	J. J. Schmidt & Co....	ordered te be paid....	700 00
289	Antonio Gayol.....	pending.....	30,510 00
292	José Rost y Prats.....	do.....	32,047 75
294	Rafael Solalinde.....	recognized	1,570 00
310	Jacobo Hantz.....	rejected.....	335 75
311	Julio Robreau.....	do.....	3,758 00
317	Davidson.....	pending.....	190 73
332	Bartolomé Tailleur.....	recognized	141 00
336	René Valadié.....	do.....	428 30
362	Maqua.....	pending	1,348 00
374	Prida.....	rejected.....	1,128 10
381	Mecietle.....	pending	300 00
382	Bonhomme	recognized	20,934 50
388	Boix.....	do.....	1,546 00
393	Huarte	pending.....	11,702 00
397	German Schultz.....	rejected.....	378 37½
398	Imhof.....	recognized	45 00
399	Crespo y Junco.....	pending	30,900 72½
408	Hawley.....	recognized	270 00
410	Ana Johnson.....	pending.....	21,997 50
417	J. Junco	do.....	1,500 00
421	Mendieta.....	do.....	1,024 00
	Forward.....$		877,906 36½

	Forward.....	$	877,906 36½
422	Señora Riench.....	pending.....	2,000 00
435	Junco.....	do	5,612 00
437	Farine.....	do	120 00
446	Vidaurrázaga.....	do.....	9,800 00
452	Muriel.....	returned.....	6,857 49½
454	Parres & Co.....	recognized	21,278 69
456	Fidel de Moure.....	returned.....	761 50
476	Barron.....	pending	3,683 25
487	Fidel Moure	do	1,327 84
488	J. Mau y Muñoz.....	do.....	
491	Juan Meineck.....	do	232 00
492	Hartmann.....	consulted	550 00
493	Alonso.....	pending.....	154,626 00
	Santiago Evans.....	recognized	2,230 18
	Larrauri.....	returned.....	67,727 59
	Bruno Martin.....	pending	12,510 00
	Oleire & Co.....	do.....	2,041 29
	Baille.....	do.....	525 00
	Gabor Naphegy.....	do.....	8,245 95
	Stribos.....	do.....	
	Cañizo.....	do.....	34,520 00
	Total.....	$	1.212,485 16

This statement amounts to One Million, two hundred and twelve Thousand four hundred and Eighty five dollars, sixteen cents.

Mexico, April 14th. 1862.—*Dámaso Martinez.*

	Forward.....	$	566,067 25½
120	Carlos Senties	pending	2,907 25
123	Santiago Salmon	rejected.....	5,010 00
129	Gabor Naphegy.....	do.....	8,000 00
139	Juan Leroux.....	ordered to be paid....	10,600 00
144	Juan Lalande.....	do do.....	1,814 84
162	Rafael Tarbe	do do.....	1,178 12
147	Antonio Ressonico.....	.....	
175	J. Prouvillo & Co.....	rejected.....	64,819 00
181	Adolfo Rassin.....	ordered to be paid....	160 00
191	Justo Breton	do do.....	3,940 62
204	Adrian Souberville	do do.....	100 00
211	Dantan.....	pending.....	1,500 00
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235	Maqua	ordered to be paid....	5,003 00
247	Joaquin C. de Lans....	pending	674 00
248	Edward Turnbull	rejected.....	3,162 00
249	José Leyssens.	pending	100 00
253	Eduardo Strybos.....	recognized.....	3,626 60
255	J. J. Schmidt & Co...	ordered te be paid....	700 00
289	Antonio Gayol.....	pending.....	30,510 00
292	José Rost y Prats.....	do.....	32,047 75
294	Rafael Solalinde.....	recognized	1,570 00
310	Jacobo Hantz.....	rejected.....	335 75
311	Julio Robreau.....	do.....	3,758 00
317	Davidson.....	pending.....	190 78
332	Bartolomé Tailleur.....	recognized	141 00
336	René Valadié.....	do.....	428 80
362	Maqua.....	pending	1,348 00
374	Prida.....	rejected.....	1,128 10
381	Mecietle.....	pending	300 00
382	Bonhomme	recognized	20,934 50
388	Boix.....	do.....	1,546 00
393	Huarte.....	pending.....	11,702 00
397	German Schultz.....	rejected.....	378 87½
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399	Crespo y Junco.....	pending	30,900 72½
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487	Fidel Moure.....	do.....	1,327 84
488	J. Mau y Muñoz.....	do.....	
491	Juan Meineck.....	do.....	232 00
492	Hartmann.....	consulted.....	550 00
493	Alonso.....	pending.....	154,626 00
	Santiago Evans.....	recognized.....	2,230 18
	Larrauri.....	returned.....	67,727 59
	Bruno Martin.....	pending.....	12,510 00
	Oleire & Co.....	do.....	2,041 29
	Baille.....	do.....	525 00
	Gabor Naphegy.....	do.....	8,245 95
	Stribos.....	do.....	
	Cañizo.....	do.....	34,520 00
	Total.....	$	1.212,485 16

This statement amounts to One Million, two hundred and twelve Thousand four hundred and Eighty five dollars, sixteen cents.

Mexico, April 14th. 1862.—*Dámaso Martinez.*

DISTRIBUTION

OF THE MARITIME REVENUES OF THE REPUBLIC, ACCORDING TO THE PRESENT ASSIGNMENTS FOR THE PAYMENT OF DIPLOMATIC CONVENTIONS AND OTHER DEBTS.

FRENCH VESSELS.

For the French Convention.....	25 per 100
For the English do.	29 „ „
For the Spanish do.	8 „ „
For the London debt.....	25 „ „
For do. for payment of arrears.....	5 „ „
	92 per 100
Part remaining free to the Government.....	8 per 100
Total.....	100

IN VESSELS OF OTHER NATIONS.

For the English Convention.....	29 per 100
For the French do.	8 „ „
For the Spanish do.	8 „ „.
For the London debt.....	30 „ „
	75 per 100
Part remaining free to the Government.....	25 per 100
Total.....	100

The result is that if the 15 per Cent. assignment of the Jecker Bonds, were carried into effect, there would be a deficit on French vessels of 7 per Cent., and on the vessels of other nations only 10 per Cent. would remain for the Government, or rather 3 per Cent., if the 15 per Cent. of Jecker were paid in full.

DUTY OF "MEJORAS MATERIALES" OR PUBLIC IMPROVEMENTS.

For the payment of the interest on the Bonds emitted to the Rail-road Company, there has been assigned the 15 and 20 per Cent. established for Public Improvements.

After deducting, therefore, the administrative expenses of the Custom Houses, which calculated at 10 per Cent., it will result that the Government does not receive anything more than the duties of "contraregistro" and tonnage, out of which is to be paid the corresponding expenses.

EXPORT DUTIES.

There is assigned to the London Bondholders, 5 per Cent. of the export duties in the ports of the Gulf, and 75 per Cent. in those of the Pacific, besides which, several orders have been drawn against these duties, for advances and various contracts; consequently, even if the "conductas" were to be regularly sent forward the Government would not have one cent. to receive in one or, perhaps, two years, if it should put all its payments in due course.

These demonstrations, and the imperious necessity of reestablishing interior peace, for the benefit, not only of Mexicans but of the foreign creditors and foreign trade, sufficiently explain the motives that induced the Congress to dictate the law of the 17th. of July on suspension of payments.

If in the arrangements to be entered into hereafter, these assignments should be ratified, thereby leaving a multitude of other demands unsettled, the march of the present Government, or any other that may succeed it, will be completely impeded; because neither with the federal, the central, or the monarchical system, nor even with the intervention, will it be possible to preserve peace and cover the public expenditure in a country so extensive and so thinly populated, with 4 or 5 Millions of dollars that would remain of internal revenues.

SUMS REQUIRED FOR THE PAYMENT OF INTEREST

ON THE FOREIGN DEBT.

Interest at 3 p. C. upon $51.208,250 amount of the capital of the debt contracted in London.....		$ 1.536,247 50
Expense of Agencies, shipment &c.$	60,000 00	
For the payment of the interest of the English Convention, on the capital of $4.175,000 at 6 per Cent...	250,500 00	
Do. of the Convention of the "Padre" Moran, on the capital $825,000 at 6 per Cent.....	49,500 00	
Do. of the Spanish Convention, on $6.633,423 of capital at 3 per Cent.	199,002 69	
For the payment of the Balance of capital of the French Convention...	190,000 00	
For the payment of the balance owing on the Laguna Seca "conducta"...	338,000 00	
Do. of some other claims that may be considered as of absolute preference.....	200,000 00	1.287,002 69
Sum total.....$		2.823,250 19

The Maritime Custom-Houses properly administrated, can produce Eight millions of dollars; thus, by forming a combination, which is not difficult, by making certain necessary reforms in the Ordinances, and establishing, for example, a respectable corporation, composed of Mexican Capitalists and the Creditors, to administrate these funds with integrity and intelligence, the result would be, that with 40 per Cent. there would be sufficient to pay the interests and preferable debts with punctuality, and, moreover, a sum might be set apart for redemption, at public acction, which, similarly to what is practised in the French Convention, would cause a rise in the price of Mexicans Funds every three months.

These measures, combined with a proportional system of internal taxation generally distributed, would enable the General Government accumulate Eight or Nine Millions of dollars annually, to which sum it should regulate its budget without interfering in any way with the revenues of the States.

This is the grand service that might be rendered to Mexico; any-

thing else would be to deprive it of her means of subsistence, and therewith her peace, security, prosperity, and even her hopes; and to speak with all frankness, it would be preferable to succumb to might and misfortune, because in, the latter case, we Mexicans will not have the responsibility, nor shall we suffer the criticisms and shame with which we are so injustly treated.

With regard to the Bondholders, a new Conversion at 3½ and 4 per Cent. should be made, by issuing for the payment of the arrears *Mexican Land Stock*, or tittles for National lands, which shall be exchanged for coupons and for the present Bonds.

Combining this with a good system of colonization and with the security that ought to be given to the creditors in the receipt of the funds from the Maritime Custom Houses, the consequence would be, that the frontiers of the Republic would be protected, the debt diminished, and the creditors perfectly tranquil, and with the probability of a considerable increase in the value of their Stock.

CONCLUSION.

This Memoir has been written and published in less than five weeks. Many documents and various accounts have remained without examination, all for want of the time and quietude so requisite in operations of this nature; therefore it is not to be surprized at if some defects and errors of the pen and calculations should be met with.

With this exception, which it has not been in my power to avoid, I believe that I have acted, in the formation of this work, with all impartiality and sufficient independence; not only because I have been estranged from the late political events, but also because, neither as a public functionary nor as a private individual, have I had, nor will I admit, compromises of any kind in matters that might be prejudicial to the Mexican Nation; to which, notwithstanding all her misfortunes, I feel it a great honor to belong.

I shall be glad, if the contents of this Memoir,—in which much important data is wanting that I had in preparation,—may, nevertheless, correspond to the desires of the Supreme Constitutional Government, and be of some utility to the Republic.

Mexico, April 20th. 1862.

M. Payno.

APPENDIX.

LAWS, TREATIES AND AUTHENTIC DOCUMENTS

RELATING TO THE

DEBT CONTRACTED IN LONDON,

DIPLOMATIC CONVENTIONS

AND

VARIOUS CLAIMS

OF FOREIGN SUBJECTS.

England, Spain and France.

NUMBER 1.

DECREE OF 25TH. JUNE 1822, AUTHORIZING THE GOVERNMENT TO NEGOTIATE A LOAN OF TWENTY FIVE TO THIRTY MILLIONS OF DOLLARS.

Article 1st. Government is empowered to obtain a loan of Twenty five to Thirty millions of dollars, from foreign powers, in the manner and under the conditions which its well known zeal may esteem the least prejudicial to the nation.

Article 2nd. As a guarantee for the repayment, Government shall mortgage the generality of the national revenues now existing, or which may hereafter be established.

Mexico June 25th. 1822.

NUMBER 2.

DECREE OF 1ST. MAY 1823, DECLARING THE POWER CONCEDED TO SEÑOR ITURBIDE BY THE DECREE OF 25TH. JUNE 1822, NULL & VOID.

Department of Finance.—The Supreme Executive Power has been pleased to address me the following decree:

The Supreme Executive Power nominated provisionally by the Constitutive Mexican Sovereign Congress, to all those who may see and understand these presents, Know ye: That the said Sovereign Congress has decreed as follows:

The Constitutive Mexican Sovereign Congress, fully convinced of the great penury of the exchequer. from whence it arises that considerable delay is suffered in the payment of the civil & military lists; that the immense engagements of the executive cannot be sufficiently covered; and that the necessary measures

[redacted]

[redacted] hereof and
[redacted], publishing
[redacted] year of Indepen-
[redacted], Deputy

[redacted] Justice, all Chiefs,
[redacted] & ecclesiastic, of
[redacted] & executed
[redacted] and for the due
[redacted], published &
[redacted] President.—*Mi-*
[redacted] Arrillaga."
[redacted] for your informa-
[redacted] least delay the
[redacted] to order.
[redacted] year of the Inde-

NUMBER 3.

DECREE OF 27TH. AUGUST FOR CONTRACTING A LOAN OF TWENTY MILLIONS OF DOLLARS.

The Sovereign Mexican Congress has been pleased to decree as follows:

Article 1st. Government is hereby empowered to contract a loan of Twenty millions of dollars with foreign houses, or their agents, giving preference to those who may offer the greatest advantages to the nation, amongst which shall be esteemed that of facilitating immediately the largest amount of resources.

Article 2nd. For the payment of this loan Government shall mortgage the whole or part of the State revenues, as may be stipulated with the lenders.

Article 3rd. By this loan, that of the Eight millions decreed by Congress on May 1st. of the present year, is not abrogated; but Government may unite the two in the same house, if utility should arise therefrom to the nation, and if the state of the negotiation encharged to Don Francisco Borja Migoni in London should permit thereof.

The Supreme Executive Power shall hold itself informed of the present decree, and shall dictate the necessary measures for its fulfilment, causing the same to be printed, published & circulated.

Mexico August 27th. 1823, 3rd. year of the Independence & 2nd. of Liberty. —*José María Becerra*, President.—*Cayetano Ibarra*, Deputy Secretary.—*José Arcadio de Villalva*, Deputy Secretary.

NUMBER 4.

The Sovereign Congress, having considered Your Excellency's message, recommending the grant of special powers to the Government, to receive in this city one million and a half of dollars, to be paid in London from the proceeds of Stock to be sold in that market, has been pleased to decree as follows:

Article 1st. Government is hereby empowered with the faculty of authorizing Mr. Robert P. Staples to negotiate in London a loan for the same sum that he may deliver in this country, provided that it do not exceed One million and a half of hard dollars, and upon the most favorable conditions that said loan can be obtained.

Article 2nd. The Exchange gained by the bills that may be drawn, shall be in favor of the nation.

Article 3rd. In case the whole of the Twenty Eight millions of Stock on which Government was authorized to raise a loan should have been sold, said Government shall take the necessary steps to purchase scrip equivalent to the amount of the bills which may now be given by Mr. Robert P. Staples.

January 31st. 1824.

NUMBER 5.

... DENDS ON FOREIGN

... interest and redemption of
... the eighth part of the ...
... of the export duties
...
... of the maritime Custom
... comprehended the half
... 10th. November 1857.
...

NUMBER 6.

... TO ASSIST FOR DIVIDENDS OVERDUE IN

... with the assent of the credi-
... named the same shall capitalize these
... interest ... per cent according to the origin
... funds. The Government shall remit without
... from the special redemption fund or
... the amount of interest on the
... the special redemption.
... foregoing articles shall not prevent
... of the debt referred to, at any mo-
... ordinary or extraordinary means may so
... of the Chamber of Deputies.—*Antonio*
... of the Senate.—*Francisco Barraza*, Deputy
... Secretary Senator.
... Don José Ignacio Esteva.

NUMBER 7.

... RESPECTING CAPITALIZATION OF DIVIDENDS.

... Government Department.—1st. Section.—His Exc.y
... United States of Mexico, has been pleased to communi-
... served

"The Vice President of the United States of Mexico, in the exercise of the Supreme Executive power, to the inhabitants of the Republic. Know ye: That the General Congress has decreed as follows:

Article 1st. Government is empowered to enter into an arrangement, either directly or by its agents, with the Bond holders of the foreign loans of 5 & 6 per cent, upon the following terms:

Article 2nd. The interest owing by the United States of Mexico on foreign loans, and that which may fall due up to the 1st. of April 1831 shall be capitalized.

Article 3d. There shall be likewise capitalized, the one half of the interest which for the same loans, may accrue from the 1st. of April 1831 to the 1st. of April 1836.

Article 4th. The capitalization mentioned in the preceding articles shall be effected from the 1st. of April 1836 forwards, by the issue of Bonds whose value shall not be of less than Sixty two & a half per cent, and of Seventy five per cent as respects the six per cent stock.

Article 5th. If, in the time that the interest should be capitalized, according to the preceding article, there should be funds to pay the same in whole or in part, the capitalization shall take place only for such part as may remain owing of said interest.

Article 6th. The interest of the new Stock shall not exceed that which was payable on the Stock from which it originated, and shall not commence to run until the 1st. of April 1836, and shall be paid from that date forward in the same terms as on the former loans.

Article 7th. From the date of the publication of this decree, there shall be applied to the payment of the half dividend, the sixth part of the proceeds of the maritime Custom houses of Vera Cruz and Tampico de las Tamaulipas.

Article 8th. The surplus that may remain of this sixth part, after payment of the half dividend of each three months, shall be applied to the purchase of Bonds at the market price, for the redemption of the debt.

Article 9th. The said sixth part shall be deposited with two persons; the one to be named by the Government, and the other by the Commissioners nominated by the parties interested in the dividends. These Depositaries shall receive the amount of the said sixth part, immediately that the duties be collected from the merchants.

Article 10th. The Government shall take care that these sums be remitted to London, as opportunities may offer, for account & at the risk of the Republic.

Article 11th. The Government is authorized to pay to the Depositaries named by the Commissioners of the Bond holders, up to ½ per cent; and also to pay to the Commissioners the expense of the issue of new stock, redemption & dividends, provided this expense does not exceed one per cent.—*José Antonio Sastre*, Deputy President.—*Pablo de la Llave*, President of the Senate.—*Manuel Miranda*, Deputy Secretary.—*José Mariano Marin*, Senator Secretary."

Wherefore, I order the same to be printed, published & circulated and that

[illegible] Palace of the Federal Government. Mexico
[illegible] *Anastasio Bustamante.*—To Don Rafael Mangino."
[illegible] our government and the corresponding purposes.
[illegible] October 2nd. 1830.—*Mangino.*—To their Excies.
[illegible] Chamber of Deputies.

NUMBER 8.

DECREE OF 20TH. OF MAY 1831, ON THE ISSUE OF BONDS.

The President of the United States of Mexico to the inhabitants of the [illegible] Know ye: That the General Congress has decreed as follows:

Article 1st. The Bonds mentioned in the 4th. article of the decree of October 2nd. 1830. may be issued by the Government, before the 1st. day of April [illegible] time & in such manner as may be agreed upon with the parties [illegible] sted.

Article 2nd. The issue of the Bonds alluded to, shall be effected without [illegible] prejudice to the rights of the nation, to pay up the whole or part of the interest, [illegible] rue, which may not have been paid up to that time.

Article 3rd. The Bonds issued for conpons not yet due, shall remain without [illegible] from the day in which the Bonds for the principal, to which they correspond, shall have been redeemed; as the redemption may take place previous to the 1st. of April 1836.

NUMBER 9.

[illegible] OF 4TH. APRIL 1837, EMPOWERING GOVERNMENT TO MORTGAGE LANDS.

Home Department.—His Excellency the President *ad interim* of the Republic, has been pleased to address me the following decree:

The President *ad interim* of the Mexican Republic to the inhabitants thereof, know ye: That the General Congress has decreed as follows:

The Government with the concurrence of the Council of State, shall proceed to render effective the colonization of the lands that are or ought to be the property of the Republic, by means of sale, long leases or mortgages, applying the proceeds thereof (which in the case of sale should not be less than ten rials per acre) to the redemption of the national debt already contracted or which may hereafter be contracted; but always retaining sufficient for the fulfilment of the promises made to the military who cooperated towards the Independence, and of the donations and grants decreed by Congress in favor of indigenous tribes & towns, and to the cooperators in the reestablishment of Texas: notwithstanding any thing to the contrary in any of the laws passed up to the present respecting

colonization; the enactments in which are hereby abrogated, in all that may oppose the present decree, excepting however the prohibitions of the 11th. article of the law of the 6th. of April 1830 which are hereby confirmed.—*Juan Manuel de Elizalde*, President.—*Bernardo Guimbarda*, Secretary.—*Manuel Larrainzar*, Secretary."

Wherefore, I order the aforesaid to be printed, published & circulated and that due compliance be given thereunto. Palace of the National Government in Mexico April 4th. 1837.—*José Justo Corro.*—To Don Joaquin Iturbide.

And I communicate the same to you for your information and the corresponding purposes.

God & Liberty. Mexico April 4th. 1837.—*J. de Iturbide.*

NUMBER 10.

Decree of the Government of 12th April. 1837, creating a Consolidated National Stock.

Ministry of Finance.—Section I. His Excellency the President, *ad interim*, of the Mexican Republic has pleased to direct to me the following decree:

"The President, *ad interim*, of the Mexican Republic, to the people of the same, makes known: That acting on the authority, conceded to me by the law ot 4th inst., I have, in concert with the Council of State, deemed it proper to decree as follows:

Art. 1. A National Consolidated Stock at 5 per cent. interest per annum shall be created, with the sole and determined object of converting the whole of the Foreign Debt, (if this shall be assented to by the actual creditors), and redeeming it in the manner set forth in the following articles. For this purpose Messrs. F. de Lizardi and Company are appointed agents of the Republic for carrying out that operation; and they shall in the name of the Mexican Nation issue the requisite Bonds of the said National Consolidated Stock, in pounds sterling, payable in London on the 1st October 1866, with coupons for interest attached in the margin, for the half years which shall elapse up to the date stated. These Bonds shall moreover be signed by the Minister Plenipotentiary of the Republic in London, or by his representative.

Art. 2. The holders of the Bonds of the Foreign Debt now in circulation, issued for the two loans negotiated in London, at five and six per cent. interest, shall have the power of converting these, as also the Coupons for the interest due, into Bonds of the Consolidated Stock, on the following terms:

First.—That the 5 per cent interest Bonds shall be received at par.

Secondly.—That those of the 6 per cent shall be received at 112½ per cent.

Thirdly.—That the coupons for overdue interest on both loans shall be received at par.

Fourthly.—That in payment of the sums they wish to convert, the holders shall receive one half the amount in Bonds of the consolidated Stock, bearing Five per cent interest, and the other half in Land Warrants in the Departments of Texas, Chihuahua, New-Mexico, Sonora and the Californias, at the rate of four acres for One Pound Sterling, and these Warrants shall also bear Five per cent interest per annum until the day in which the owners be put in possession of their lands, where the amount of this interest shall be taken into account in the proportional increase of the property ceded to them, provided always that they present themselves to take possession within the term mentioned in the 5th. article.

Article 3rd. The interest on the Bonds of the Consolidated National Stock shall be paid in London half yearly on the 1st. of April and 1st. of October of each year, and shall commence to run from the 1st. of October of the present year One Thousand Eight hundred & Thirty seven. Whilst the periodical remission of the funds destined to this object be regulated, the holders of the coupons that may fall due, shall have the right of presenting them to the agents of the Republic in London, on the day of their falling due, and of demanding from them in exchange a certificate of the same amount, signed also by the Minister of the Republic at that Court, and these shall be admitted on presentation, as ready money in payment of duties in the maritime Custom houses of Vera Cruz and Santa Anna de Tamaulipas. The agents of the Republic in London, cannot therefore refuse giving the said certificates, whenever they may be required to do so by the holders of unpaid coupons. The Pound Sterling in this case shall be considered equivalent to five dollars, and to the amount of each certificate, there shall be added six per cent as compensation in full for all differences of exchange & all expenses; there being included in said six per cent, one per cent which the parties interested shall satisfy in the act of receiving the certificates, to the agents, of which one per cent said agents, shall cede the quarter part in favor of the Minister Plenipotentiary of the Republic.

Article 4th. The land warrants shall also be issued in the name of the Mexican nation by the aforesaid agents and shall be countersigned by the diplomatic agent accredited in London. The tenor of this scrip shall be as follows: "Know "all that these presents come to: that the Mexican nation recognizes in [*here* "*the name*] or his representatives, the right of possession to [*here the number*] "acres of land in the Department of [*here the place*], of which immediate "full possession shall be given him by the competent authorities, with the inter- "vention of the public land surveyor, upon the delivery of the present scrip. "Dated in London on the day of 18." No warrants shall be issued for less than four hundred acres or more than ten thousand. The parties interested shall pay to the agent upon their receiving their scrip, at the rate of twelve rials for each hundred acres; and of this fee three rials shall be for the minister for his signature.

Art. 5. The ownership of assignments on lands may pass from one person to another by means of endorsement; but after possession has been taken of the

lands so assigned, they cannot pass to another person, except in virtue of a public bill of sale.

Art. 6. When the assignments are to be redeemed by the delivering over of the lands, they must necessarily be presented in the Secretariats of the Governors of the respective departments, in order that the day of presentation may be registered (a book being kept for the purpose) and the holders obtain a priority in the choice of lands, according to the order in which they have presented themselves. For the same purpose a certificate shall be delivered to them, in which the number of the assignment and the locality on which it is made, shall be indicated, and with this they shall present themselves to the local authority, who shall, with the assistance of the Surveyor of the Department, place them in possession of the lands, which they have selected, taking care to observe in every case the provisions of Art. 11 of the law of 6th April, 1830, which says, "In virtue of the power which the General Congress reserved to itself by Art. 7 of the law of 18th August, 1824, strangers from adjacent countries are prohibited from forming colonies in those states and territories which border on those of their own people. In consequence, such contracts as are contrary to this law, are of no effect."

Art. 7. For greater security of the payment of capital and interest of the Consolidated Stock, the Mexican Government, in the name of the nation, more especially hypothecates one hundred million acres of waste lands in the Departments of California, Chihuahua, New Mexico, Sonora and Texas, as an especial guarantee for the said stock until the total extinction of the Bonds; but if any part of these hypothecated lands should be sold, the sale must be effected at a rate not less than four acres for the pound sterling, and the produce shall be paid by the purchaser to the Agents of the Government in London, from whom alone they can receive the corresponding assignments, ("inscripciones") and the Agents shall apply the produce of the sale to the redemption of the Bonds of the New Consolidated Stock, which Bonds may likewise be received in payment for the said lands, at their current price in the market.

Art. 8. The term within which the conversion, of which Art. 2 of this present decree treats, may be demanded, shall extend from the day on which the Agents of the Republic in London shall receive the corresponding advice, until the same day of the following year. After this term they cannot be admitted for conversion.

Art. 9. During the said term, and until the 31st December, One thousand Eight hundred and thirty-nine, the holders of the Bonds of the Consolidated Stock, shall have the right to have them redeemed, either at the time of receiving them from the Agents or at any other time, receiving in exchange assignments on waste lands to the amount of the value of the Bonds, with ten per cent. added, and at the rate, as has already been said, of four acres for one pound sterling; but if this be not effected before the 1st of January, One thousand Eight hundred and forty, though they will still posses the right to demand that their Bonds shall be exchanged for assignments to the amount of their value, with

[illegible] lands shall then only be conceded at the rate of three [illegible] and sterling.

[illegible] strangers, who in virtue of the assignments possessed by [illegible] immigrate into the Republic, and establish themselves in their new [illegible], acquire from that moment the title of Colonists, and they and their [illegible] shall enjoy all the rights and advantages which the law grants or shall [illegible] all those naturalized in the same manner and under the same conditions; [illegible] shall not be permitted that there be united in the hands of one person and [illegible] single property, more than one square league of five thousand *varas* [illegible] *regante*," four of "*temporal*" *superficie*, and six leagues of "*abrevadero*",* [illegible] the usufruct of such mines as may be found within these territories, shall be subjected to the provisions of the general ordinance of mines.

[illegible] accordingly ordered to be printed, published, circulated and carried into effect. Palace of the Government in Mexico, 12th April, 1837.—*José Justo Corro.*

To D. Ignacio Alas"

And I communicate it to Your Excellency for your information, &c.

Mexico. April 12th, 1837.—*Alas.*

NUMBER 11.

CONVENTION CONCLUDED 15TH DECEMBER, 1837, BETWEN THE MINISTER PLENIPOTENTIARY OF THE MEXICAN REPUBLIC AND THE AGENTS OF THE SAME IN LONDON, ON THE ONE SIDE, AND THE HOLDERS OF THE MEXICAN BONDS ON THE OTHER.

[illegible] A National Consolidated Stock, bearing interest at the rate of five per [illegible] annually, shall be created for the sole and determined purpose of converting [illegible] amounting the whole of the foreign debt, in the manner about to be [illegible] in the following articles, subject to the approbation of the actual ex- [illegible] For this purpose, Messrs. Lizardi and Co., of London, are appointed [illegible] the Republic in London, and they shall issue, in the name of the [illegible] nation, the bonds for the said National Consolidated Stock, in pounds [illegible] payable in London on 1st of October, 1866, with coupons for interest [illegible] margin, for the half years which shall elapse up to that date. These [illegible] shall further be countersigned by the Minister Plenipotentiary of the [illegible] in London, or by his representative.

[illegible] The holders of the Bonds of the Foreign Debt, now in circulation, [illegible] the two Loans raised in London, at five and six per cent. interest, [illegible] have the right to convert the said Bonds and their unpaid coupons into

* [illegible] de regadio are lands which are well watered, or offer facilities for being irrigated; [illegible] de temporal are those which are dependant on rain alone; tierras de abrevadero are lands [illegible] village, but available as pasture ground.—*Tvl.*

Bonds of the New Consolidated Stock, on the following conditions.—1. The Five per Cent. Bonds shall be received at par. 2. The Six per Cent. Bonds shall be received at the rate of one hundred and twelve and a half per cent. 3. The coupons for interest due on both Loans shall be taken at par. 4. For the bonds presented for conversion, shall be given in payment bonds of the Consolidated Stock: one half of the amount in Bonds bearing five per cent. interest, and the other half in Deferred Bonds which shall commence to bear interest on 1st October, 1847, at the rate of five per cent. annually, and the said Deferred Bonds shall at all times be received in payment for unappropriated lands in the departments of Texas, Chihuahua, New Mexico, Sonora, and California, at the option of the purchaser, and at the rate of four acres for each pound sterling; snd when the Deferred Bonds are applied to the purchase of lands, the aggregate interest at the rate of five per cent. annually, from 1st October, 1837, to the day on which the Bondholders are placed in possession of the lands, shall be calculated, & added to the principal of the Bond, and the quantity of land thus acquired proportionally increased, but subject to the condition that possession shall be taken as provided in Art. 5 of this Convention.

Art. 3. The interest on the National Consolidated Stock shall be payable in London at the end of each half year ending 1st April and October 1st of every year. The Bonds of the first series shall begin to bear interest from 1st October, 1837, and those of the second from 1st October, 1847. For the greater security of the punctual payment of the said interest, the Mexican Government irrevocably sets apart for this purpose the sixth part of all the duties of the Maritime Customs of Vera Cruz and Santa Anna de Tamaulipas. This part of the duties shall be delivered by the administrators of the Customs to the Commissioners of the Mexican Government, one of whom shall be nominated by the Agents of the Bondholders in the city of Mexico. These Commissioners shall, by each of the English Packets, transmit the funds received to the Agents of the Mexican Government in London. The commission to be paid to these Commissioners for their trouble, shall be defrayed by the Mexican Government. In the event of any of the dividends not being paid in London, ten days after it falls due, the holders of such unpaid coupons shall have the right to require from the Agents of the Republic in London a certificate signed by the Mexican Minister of the said Court, which certificate shall be received as ready money in payment of duties to the extent of one-sixth part of all those payable at the Maritime Custom-houses of Vera Cruz and Santa Anna de Tamaulipas. The Agents of the Republic in London shall be bound to issue such certificates, when applied to by the holders of coupons, which have not been paid when due. Each pound sterling of such coupons shall be valued at five hard dollars, and ten per cent. shall be added to the amount of each certificate, for exchange and other expenses.

Art. 4. The Deferred Bonds to be issued shall contain a clause or clauses, stipulating that the Mexican Government shall, on demand, concede to the bearer of said bonds, full rights of property over and full possession of the number

of acres of land corresponding to the amount of the said bond, as also of the interest due on it, at the rate of four acres per pound sterling, of which land he shall, on the presentation of said Deferred Bonds, be placed in full possession by the competent authorities.

Art. 5. The Deferred Bonds may be transferred by one person to another, by mere delivery and without requiring endorsement; but after possession has been taken of the lands, on which the said bonds have claim, and after a title of property has ben obtained, the said lands cannot afterwards be transferred, except by means of a conveyance in legal form.

Art. 6. The Deferred Bonds, when they are to be exchanged for lands, must of necessity be presented in the Secretary's Office of the respective provincial governments, in order that the date of their presentation may be there registered (a book being kept for the purpose) with a view to give the holders priority of choice in the lands, according to the order of presentation. For the same purpose they shall be furnished with a certificate stating the numbers of the Deferred Bonds, and the place where they were presented, on presenting which certificate to the local authority concerned, they will obtain–through the intervention of the Surveyor of the Department–possession of the lands selected, regard, however, being had to Art. 11 of the law of 6th April, 1830, which says:— "In virtue of the power reserved to itself by Art. 7 of the law of 18th August, 1824, the General Congress prohibits aliens from adjacent countries to colonize territories bordering on those of the nation to which they belong. All contracts, therefore, which are contrary to this law, shall be of no effect."

Art. 7. For the further security of the payment of capital and interest of the Consolidated Stock, the Mexican Government, in the name of the nation, especially hypothecates one hundred million acres of waste land, in the departments of California, Chihuahua, New Mexico, Sonora, and Texas, as special guarantee for the said Stock, until the total extinction of the Bonds; but if any part of these hypothecated lands should be sold, the sale must be effected at a rate of not less than four acres for the pound sterling, and the produce shall be paid by the purchaser to the Agents of the government in London, from whom alone they can receive the corresponding assignments (inscripciones), and the Agents shall apply the produce of the sale to the redemption of the Bonds of the New Consolidated Stock, which Bonds may likewise be received in payment for the said lands at their current price in the market. In addition to the general guarantee contained in this article, the Mexican Government will, by a public decree, expressly reserve twenty-five million acres of government land, in the departments most conveniently situated for communication with the Atlantic, and which appear best adapted for colonization from abroad. These lands shall be specially and exclusively dedicated to the Deferred Bonds, in case they should be presented in exchange for lands; and if the Government should sell the said lands, the produce of the sale shall be applied to the redemption of said Bonds.

Art. 8. The term for effecting the conversion, set forth in Art. 2, shall be from the date of publication of the present in London by the Agents of the Mex-

public to the same date in the year following, after the expiration of which term the conversion cannot take place.

Art. 9, Finally, strangers, who in virtue of the Deferred Bonds held by them, shall immigrate into the Republic and establish themselves in their new possessions, acquire from that moment the title of colonists, and they and their families shall enjoy all the rights and advantages which the laws grant, or shall grant, to all those naturalized in the same manner and under the same conditions; but it shall not be permitted that there be united in the hands of one person, and in a single property, more than one square league of five thousand *varas de regadio*, four of *temporal superficie*, and six leagues of *superficie de abrevadero;* * and the usufruct of such mines as may be found within these territories shall be subjected to the provisions of the general ordinance relative to mines.

Art. 10. On the 1st of April, 1848, and successively every half year, the agents of the said Republic in London, shall pay the interest on the deferred Bonds, or such part of the said interest as shall remain unpaid, and in the same manner as has been provided for the first class of the Bonds mentioned in Art. 2.

Art. 11. Although the Mexican Government engages to set aside a sixth part of the produce of the Customs of Vera Cruz and Santa Anna de Tamaulipas, for the payment of the interest on these Bonds, it is expressly to be understood that, in case these should prove inadequate to the object proposed, the whole of the revenues of the State are responsible for the same, as set forth in the original Bonds. Moreover, the Bonds issued in virtue of this Convention, shall contain all the guarantees and securities granted by the original Bonds, in addition to the new and especial securities granted by this Convention.

Art. 12. All the expenses arising from the changing of the said Bonds, shall be for account of the Mexican Government.

Art. 13. The Bonds of the first class shall be liquidated by the Mexican Government on or before the 1st Oct. 1866; those of the second class on or before the 1st. Oct. 1876.

Art. 14. The original Bonds presented for conversion shall be deposited in the Bank of England, until the payment of the first dividend by the Mexican Government on the 1st April next, when they shall be delivered to the Agents of the said Government.

Decree of 1st June, and regulation of 29th July, 1839, relative to the Conversion of 1837.

His Excellency the President, *ad interim*, of the Mexican Republic, has been pleased to address to me the following Decree:

"The President, *ad interim*, of the Mexican Republic, to the people of the same, maketh known:—That the General Congress has decreed as follows:

Art. 1. The Convention concluded in London on the 15th September, 1837, with the Mexican Bondholders, is approved.

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* See note, page 97.—*Trl.*

Art. 2. For the conversion of the Foreign Debt, another year is conceded, to be reckoned from the date of the publication of this Decree in London.

Art. 3. With regard to the colonies which may be established in virtue of the Convention, the Government shall take care that the laws existing, and which may hereafter be passed, relative to colonization, be observed in so far as they be not opposed to the Convention itself.

Art. 4. The Government shall likewise take care that, under the provisions of the 6th Article of the Convention, frontier territories be not assigned to the subjects of States bordering upon them, in case, pursuant to what has been stipulated in Art. 5 of the same Convention, deferred Bonds of this stock entitled to be exchanged for lands, should fall into their hands.

Art. 5. The reservations mentioned in the Decree of the 4th April, 1837, for rewards promised to the army of the Independence, shall be selected by Government from out of such lands as may suffice for this object in Yucatan and California. The other two reservations mentioned in the same Decree, for the grants decreed by Congress in favour of the barbarous tribes or nations, and of the co-operators in the restoration of Texas, shall be selected by Government,—the territories nearest the frontiers to be assigned in preference to the firstreservation, and the territories on the coast of the Gulf of Mexico, at a distance of at least twenty leagues from the sea-board, to the second.

Art. 6. The Government shall likewise, on its most stringent responsibility, take care that the lands be distributed so as not to allow a concentration of the colonies on any one point, but that, on the contrary, they be located at a distance from each other, and as continguous as possible to our own populations.

Art. 7. In order to obviate all misunderstanding in the execution of the Convention, the Government shall at once fix the exact proportions betwen the *acre* and the agrarian measures used in the Republic, adjusting according to the latter the assignments (inscripciones), that may be issued in virtue of the said Convention.—*José M. Garcia Figueroa*, President of the Deputies; *Sebastian Camacho*, President of the Senate; *Mariano Aguilar y López*, Secretary of the Deputies; *José R. Malo*, Secretary of the Senate."

It is therefore ordered that the present be printed, published, circulated, and carried into effect.

Palace of the National Government, Mexico, 1st June, 1837.—*Antonio López de Santa-Anna.*—To Don Francisco María Lombardo."

And in order that the preceding Decree may be fully and strictly carried out, His Excellency, the President, with the concurrence of the Council of State, orders that the following rules shall be observed:

First. As regards the extension of the term conceded by Art. 2 of the preceding law, the old five and six per cent. Bonds presented for conversion, shall be converted up to the last day of September, 1837, and shall bear interest from the first of October of the same year.

Second. The deferred Bonds already issued, or which shall be issued in virtue of the extension granted by the said Art. 2 of the preceding law, shall, up to

the 30th September, 1847, be received in exchange for waste lands in the departments indicated in the Convention referred to.

Third. The administrators of the Maritime Customs of Vera Cruz and Santa Anna de Tamaulipas, shall continue to be commissioned to receive the sixth part of the duties paid at those ports, and to transmit it to London according to the rule laid down in Art. 3 of the said Convention. As a remuneration for this charge, they shall be allowed two per mille on the amount of the sixth part collected in each custom-house, and this quota they shall divide with the other commissioner, named by the Government, in accordance with the provisions of the 3d Art. of the Convention.

Fourth. In order that the stipulations of the said Article may be fully carried out, the Administrators of the Maritime Customs of Vera Cruz and Santa Anna de Tamaulipas, shall be directly responsible for the due collection of the sixth part of the duties levied in the said custom-houses, immediately after the publication of this law; to which end, any order, anterior or subsequent to the date of this Decree, be it for payment, compensation, or remittance of bills to the general treasury, shall be understood as not encroaching on the sixth part, which is, according to the Convention, to be set aside and applied to the payment of the dividends.

Fifth. In the event that the interest of the debt should not be remitted to London in due time, and it should be indispensably necessary to proceed to the admission of certificates issued by the Agents of the Republic, and signed by the Mexican Minister at that Court, the Administrators of the Maritime Customs of Vera Cruz and Santa Anna de Tamaulipas shall admit these certificates, in the manner and according to the rules and formalities prescribed in the 3d Art. of the Convention, and by the present regulations.

Sixth. If, by any casualty, the interest should not be received in London in due time, and that for this reason the agents of the Republic should issue certificates, admissible for a sixth part of the duties levied in the Custom-houses of Vera Cruz and Santa Anna de Tamaulipas, according to the 3d Article of the Convention, the said documents shall in that case be admitted, and the sums remitted to London shall remain at the disposal of the Supreme Government.

Seventh. In order duly to secure the funds which may be remitted from the Maritime Custom-houses of Vera Cruz and Santa Anna de Tamaulipas, for the purpose of paying, in London, the interest on the debt, His Excellency, the Minister of the Republic, and the agents of the latter, shall keep open a proper policy of insurance.

Eighth. The funds in the hands of Messrs. Baring, Brothers and Co., of London, intended for the payment of interest on the old five and six per cent. loans, shall be exclusively applied to satisfying the interest on this debt, which is to be remitted to that city, according to what is stipulated in the preceding Convention. (?)

Ninth. Considering the inconveniences which might arise from giving duplicates of the certificates that are to be issued by the agents of the Republic on the

Maritime Customs of Vera Cruz and Santa Anna de Tamaulipas, the issuing of duplicates of these documents is expressly prohibited; loss or miscarriage of them will be for account of the holders, as by the preceding Convention, ten per cent. are to be added to the amount of these certificates as a compensation for all *differences in the exchange and for all other expenses*, and for this sum the parties interested may secure themselves against the loss or miscarriage of these documents.

Tenth. The certificates issued by the Agents of the Republic, shall mention in express terms that they shall be accepted from the bearers thereof as ready money by the Maritime Custom-houses of Vera Cruz and Santa Anna de Tamaulipas, in payment of the sixth part of the duties charged. These documents shall be issued with such marks, signs, and other precautions as the Agents and the Minister Plenipotentiary of the Republic at the Court of H. B. M. may deem necessary and sufficient, in order to prevent all falsifications and forgeries.

Eleventh. With the view of ensuring clearness and exactness in the admission at the Maritime Custom-houses of Vera Cruz and Santa Anna de Tamaulipas of these certificates, and in order to prevent any excess or abuse to the prejudice of the interests of the nation, as well as of those of the creditors, there shall be kept, in addition to the usual journals and accounts in those offices, a book expressly for this object, paginated consecutively, the first and last page being signed and the rest initialed by the Minister of the General Treasury. In this book shall be entered, in strict numerical order, the certificates presented in payment of one sixth of the duties, and those that are redeemed, the date, the number and the amount of each certificate being mentioned, according to the subjoined model.

Twelfth. As soon as the certificates have been accepted by the Custom-house authorities at Vera Cruz and Santa Anna de Tamaulipas, and the liquidation as regards the payment of duty has been effected, the certificates shall be cancelled, by piercing them through the centre with a puncheon of half an inch in diameter. This operation shall be performed in presence of the administrator, the accountant, and the first clerk, and notice of its being performed shall be transmitted by the first post to the General Treasury, which shall in its turn immediately report it to the Minister of Finance.

Thirteenth. For the purposes stated in the preceding articles, His Excellency, the Minister Plenipotentiary of the Republic at the Court of H. B. M., and the agents in London, shall keep the Custom-house authorities in Vera Cruz and Santa Anna de Tamaulipas. as also the Minister of Finance, punctually advised of the certificates which have been issued, stating their numbers, dates, amounts, &c. The certificates shall be numbered correlatively, and this numeration must not on any account be interrupted or abbreviated.

Fourteenth. The General Treasury of the Republic shall likewise keep a paginated book, the first and last page being signed, and the others initialed by the Minister of Finance, for the express purpose of keeping a clear and exact account, in which are to be entered the operations taking place in the Maritime

Custom-houses of Vera Cruz and Santa Anna de Tamaulipas, with reference to the objects set forth in the tenth provision of the present regulations. To this end, the administrators of those offices shall make a statement of all that is done, and shall furnish the General Treasury with the necessary advices and information.

Fifteenth. As it is desired that the certificates issued by the agents of the Republic may be presented at the Custom-houses of Vera Cruz and Santa Anna de Tamaulipas indiscriminately, it will be necesssary, in order to guard against mistakes and forgeries, and also for the purpose of ascertaining in proper time if the whole of the interest of the debt is, or is not, covered, that these offices should communicate frequently with each other, giving each other notice of the certificates which have been presented to them respectively, and which they have admitted, mentioning particularly the numbers, dates, amounts, &c., of the same. If either of these offices observe any discrepancy or discover that a fraud has been committed, or intended, it shall immediately inform the General Treasury and the Ministry of Finance thereof, in order to ascertain what measures the Government may deem expedient for the remedy thereof; but the Custom-house authorities themselves are not on that account to neglect to take immediately all the necessary steps, or to institute proceedings before the proper tribunals.

Sixteenth. To ensure the complete observance of the stipulations contained in Articles 4, 5, and 6 of the Convention, and the provisions of Articles 3, 4, 5, and 6 of the preceding law, there shall be named, with as little delay as possible, a directing council of colonisation, under the immediate orders of the Supreme Government, and to be composed of three persons versed in the branches concerned, and which shall attend to the measurement of the lands, to their designation, and to the rules to be observed relative to their colonisation, and other necessary operations, bearing always in mind, to observe Art. 6 of the Decree of 12th April, 1837, which has been embodied into, and remains an integral part of the said Convention.

Seventeenth. The Agents of the Republic shall, with the knowledge and assent of its Minister Plenipotentiary, proceed to draw up an exact and attested account of the expenses caused by the issue of the New Bonds for the conversion of this debt, and shall remit the same to the Minister of Finance.

Eighteenth. As soon as the payment of the first dividend of the interest of this debt has been effected, either by its being paid in money in London, or in certificates issued by the Agents of the Republic, the latter shall, in conformity with the stipulations of Art. 15 of the Convention, proceed to collect the original Bonds deposited in the Bank of England, which, in presence of the Mexican Minister Plenipotentiary, shall be cancelled by being pierced through the centre with a puncheon of half an inch in diameter. The Bonds presented for conversion shall undergo the same process, His Excellency the Mexican Minister, as well as the Agent shall hold the Ministry of Finance informed of the cancellation of the Bonds, stating their origin, amounts, dates, &c., and all the said Bonds shall remain in a secure place of deposit, to be selected by the Minister of the

Republic at the Court of H. B. M., with the concurrence of the Agents of the Republic, so that at any time they may serve as vouchers of the Conversion.

Ninetcenth. The issue of New Bonds shall exactly correspond with the amount of the old ones presented for conversion, so that a new bond can never be issued except in exchange for an old one, which, by the fact of being exchanged, shall be considered redeemed, and shall be deposited according to the provisions of the preceding article.

Twentieth. For the purpose of rendering more complete the provisions of Art. 7 of the preceding law, and for the fulfilment of the stipulations contained in the convention, relative to the holders of Deferred Bonds, it is declared that the acre mentioned in the said convention shall be deemed equal to 4840 square yards English. and to 5762 $\frac{1}{100}$ square *varas*, Mexican measure; so that *un sitio de ganado moyor* shall contain 4338 $\frac{4}{10}$ acres, one of *ganado menor* 1928 acres, and a *caballeria* (*) 105 $\frac{7}{10}$ acres, supposing the Mexican *vara* to correspond exactly with 837 French milometres, and consequently with $\frac{8}{10}$ $\frac{1}{10}$ $\frac{4}{10}$ $\frac{8}{10}$ of an English yard.

Twenty-first. In order that the accounts relative to the Foreign Loan, or rather to the foreign credit of the country, may be kept in the General Treasury, with the exactness rendered necessary by the new regulations made for the conversion of this debt, the general treasury shall proceed to open the necessary accounts in its books, in order that the accounts of the principal and of the interest may be kept quite distinct, so that at any moment an estimate may be formed of the actual state of the said debt in all its parts.

Twenty-second. Whenever operations relative to this debt are carried out within the Republic or abroad, they will have to be recorded in the accounts of the General Treasury, by entering on them every amount wherever received or wherever paid, whether in money or otherwise.

Twenty-third. In order that the provisions contained in the preceding article may be carried into effect, the Agents of the Republic abroad, charged with the transaction of this business, shall remit to the Government, by every English packet, a copy of the accounts which they have kept up to the day of their dispatch; and these copies shall be transmitted by the Government to the General Treasury, in order that the corresponding entries may be made. The offices of the Republic which have anything to do with any operation relative to the Loan, will in those matters act under the orders of the General Treasury, to whom they will have to report what has been done.

Twenty-fourth. At the end of every year the General Treasury shall render an account of the Foreign Debt, balanced on the 31st day of December. This account shall form part of the statement of the public finances, which the Government annually lays before Congress.

I communicate this to you. &c. &c.

God and liberty. Mexico, 29th July, 1839.—*Echeverria.*

(*) *Un sitio de ganado mayor* is a square league of 5000 *varas*, Mexican or Burgos measure; *un sitio de ganado menor* is believed to be 1111 square *varas: una caballeria* de tierra is an area of 1104 *varas* by 552.—*Trl.*

NUMBER 12.

ORDERS OF GOVERNMENT OF 10TH OCTOBER, 1842, GRANTING TO THE HOUSE OF LIZARDI TWO-AND-A-HALF AND FIVE PER CENT COMMISSION.

National Palace.—Mexico, 10th Oct., 1842.—It being impossible, in the existing impoverished state of the finances of the Republic, to raise the funds necessary for paying you the expenses which you have incurred, and your commission of two-and-a-half per cent. in cash, for the important services which you have rendered the nation, and the considerable savings effected by you in its foreign debt by means of the conversion, His Excellency the President, *ad interim*, of the Republic, has ordered that the necessary number of bonds, active and deferred, required to cover those expenses and your commission of two-and-a-half per cent., are to be issued by you, which, by order of his Excellency the President, I communicate to you for your information, and in order that you may carry it out.

God and Liberty.—*Trigueros.* To Messrs. F. de Lizardi & Co.; London.

A true copy.—*F. de Lizardi & Co. P. P. Manuel I. de Lizardi.*

National Palace.—Mexico, 10th Oct. 1842.—His Excellency the President of the Republic, considering the important services which you have rendered the Republic, in the last arrangement come to with the Mexican Bondholders for the conversion of the National Debt, whereby a saving was effected in favour of the exhausted treasury, and desiring to reward those services, has deemed it proper to authorize you, in compliance with your request, to charge a commission of five per cent. on the aforesaid last arrangement. You may, therefore, pay yourself this commission, either out of tho first produce of the three and one third per cent. augmentation conceded, or by issuing bonds sufficient to cover the amount in cash. I communicate this to you, by supreme order, for your information, and in order that you may carry it out, taking this opportunity to reiterate to you the assurances of my esteem.

God and liberty.—*Trigueros.* To Messrs. F. de Lizardi & Co.

A true copy.—*F de Lizardi & Co. P. P. Manuel I. de Lizardi.*

NUMBER 13.

ORDER OF THE GOVERNMENT, DATED 22D FEBRUARY, 1843. GRANTINC TO THE HOUSE OF LIZARDI FIVE PER CENT. OF THE CUSTOMS, TO COMPLETE THE PAYMENT OF THEIR COMMISSIONS.

Ministry of Finance.—Under this day's date I write to Messrs. F. de Lizardi & Co. of London what follows:—"I address to-day the Ministers of the Gene-

ral Treasury what follows:—His Excellency the Provisional President has pleased to order that five per cent. of the import duties at the Maritime Custom Houses of Vera Cruz, Santa Anna de Tamaulipas, San Blas, Mazatlan, and Guaymas, shall be formed into a fund to be applied exclusively to the payment of what remains due to the Messrs. Lizardi and Co. of London, for commission on the conventions concluded with the Bondholders in England, in the years 1837 and 1842, as also of what is due to them on account of advances made, or that may be made by them for the current expenses of the Legations and Consulates, on the understanding that these last-mentioned payments shall enjoy the preference. His Excellency, in like manner, directs that this order shall have immediate effect in the custom-houses of the Pacific, and that in those of the Gulf, it shall take effect as soon as the claims of D. J. Manuel Lasquetty, to the amount of three hundred and forty-six thousand, six hundred and eight dollars, shall have been satisfied, the said sum being the cost of the armament which Lasquetty contracted for with the Supreme Government, according to orders directed to you, dated 8th and 11th May of last year; for the fund of five per cent., created by the said supreme orders, is the same as that which, after the above sum has been paid, is to be made available for the purposes of this order, and shall then continue to form one fund with the five per cent. of the customs of the Pacific. I communicate this to you, by command of his Excellency, in order that you may take measures for its accomplishment, taking care to inform the respective administrators, that the orders which they draw for the proceeds of the fund thus established, be addressed to the attorney, whom the Messrs. Lizardi may appoint here, and until then to D. Cayetano Rubio, their agent in this Capital."

"I have the honor of transmitting the present to you by order of his Excellency, in reply to your note of 31st December, in which you solicit the formation of a fund of ten per cent., to be applied to the same object, but which request could not be assented to by his Excellency, the Provisional President."—By command of his Excellency I have the honor to communicate it to you for your information, &c.

God and liberty, Mexico, 22nd Feb, 1843.—*Gorostiza.*

To the Chargé d'Affaires of the Republic in London.

NUMBER 14.

DECREE OF 28TH FEBRUARY, 1843, GRANTING TO THE HOUSE OF LIZARDI FIVE PER CENT. OF THE CUSTOMS, TO COMPLETE THE PAYMENT OF THEIR COMMISSIONS.

Mexico, 29th July, 1843.—His Excellency the Provisional President has been pleased to issue the following decree:—

"Antonio Lopez de Santa Anna, *benemérito de la patria*, General of Division and President of the Mexican Republic, to the people of the same, maketh known:

That in virtue of the powers vested in me by the seventh of the *bases* adopted in this city and sanctioned by the nation, I have deemed it right to decree as follows:—

1st. For the payment of dividends on, and for the redemption of, the Bonds which have been, and are being issued by Messrs. F. de Lizardi & Co., of London, in payment of the five per cent. commission, which, by order of the 10th October last, was granted to them on the adjustment with the holders of the Bonds of the Foreign Debt of the Republic, effected on the 11th February of last year, there shall be assigned part of the five per cent. of the import duties collected in the Maritime Custom-houses of Vera Cruz, Santa Anna de Tamaulipas, San Blas, Mazatlan and Guaymas, which by order of 22d February of the present year were granted to the same Messrs. Lizardi & Co. for the purposes indicated in the said order.

2. The Bonds already issued and those that are being issued, must not together exceed in amount Two hundred thousand pounds sterling—

"Which is, therefore, ordered to be printed, published, circulated and carried into effect."

"National Palace of Tacubaya, 28th July, 1843, *Antonio Lopez de Santa Anna.—Trigueros*, Minister of Finance."

I communicate this to you for your information, &c.

God and Liberty.—*Trigueros.* To the Chargé d'Affaires of the Republic, at the Court of H. B. M.

NUMBER 15.

Decree of 15th December, 1843, on the Recognition of the Foreign Debt.

Ministry of Finance.—Excellent Sir, His Excellency the President, *ad interim*, of the Republic. has been pleased to issue the decree which follows:—

Valentin Canalizo, General of Division and President, *ad interim*, of the Mexican Republic, to the people of the same maketh known: That taking into consideration, the Convention concluded in London with the Bondholders on the 15th September, 1837, for the purpose of converting the whole of the Foreign Debt of the Republic; considering the supreme order of 10th October of last year, by which was granted to Messrs. Lizardi & Co, the Agents appointed by the same Convention, for effecting the Conversion, a commission of two and a half per cent. and the expenses of the said operation, they being empowered to issue Bonds, active and deferred, to the amount necessary for covering these two items; considering the further order of the same 10th October, and the Decree of 28th July last, conceding also to the same Messrs. Lizardi & Co. a commission of five per cent. on the last adjustment concluded with the Bondholders, on the 11th of February of last year, and in like manner authorizing them to pay themselves by an issue of active Bonds to the amount of two hundred thousand

pounds sterling, the interest on which was, according to the same Decree of 28th July last, to be paid with part of five per cent. of the import duties levied in the Maritime Custom-houses of Vera Cruz and Santa Anna de Tamaulipas from a given period, and in those of San Blas, Mazatlan and Guaymas, to commence immediately; considering the supreme order of 22d February last, by which the Messrs. Lizardi & Co. are authorized to pay part of the April Dividend of the present year in deferred Bonds issued as active: and finally, considering the obligation which the Supreme Government has contracted with the Bondholders, in virtue of the above named adjustment of 11th. February of last year, by issuing obligations or debentures for fifty per cent, of the value of eight Coupons, which they have delivered up in conformity with the said arrangement: It has been deemed right to declare at a meeting of Ministers, acting as far as necessary on the powers vested in the Government, that the Foreign Debt of the Republic, by means of the operations effected under the Convention, the orders and the decrees above quoted, is composed as follows:—

SERIES.

A numbers 1 to 10,400 of £100		£1.040,000
B „ 1 to 4,900 of 150		735,000
C „ 1 to 5,000 of 250		1.350,000
D „ 1 to 4,950 of 5,000		2.475,000
25,250 active bonds for		£5.500,000
Deferred Bonds rendered active by order of 22nd February (1)		91,650
Deferred Bonds of the same letters and numbers as the active bonds (2)		4.624,000
Debentures or obligations issued at 50 per cent. for the eight coupons of the dividends, amounting to £998,192 10s. (3)		499,096
		£ 10.714,746
Active Bonds issued according to the provisions of the decree of 28th July 1843, in payment of the commission of 5 per cent. granted to Messrs. Lizardi		£ 200,000

NOTES APPENDED BY SR. MURPHY TO THIS DECREE.

(1) There ought not to be recognized more than £ 46,517 17s. 8½d. (*a*) as may be shown in the following manner.

	£	s.	d.	
Dividends of April 1843	134,500	0	0	
Deduction for Certificates	67,723	3	5½	
	£ 96,776	16	6½	
Third part in Money	£ 23,258	18	10½	(*a*)
Two-thirds in deferred Bonds rendered active	£ 46,517	17	8½	(*a*)

(2) Of the same letters or numbers, and yet differing in amount! Further on it will be seen what purpose has been served by this apparent oversight.

(3) There ought not to be recognized more than £462,396, which may be shown in the following manner:—

(*a*) Thus in the original.—*Trl.*

This is therefore ordered to be printed, published, circulated, and carried into effect. Palace of the National Government in Mexico, 15th December 1843.— *Valentin Canalizo.*— *Ignacio Trigueros*, Minister of Finance.

And I have the honor to communicate it to your Excellency for your information, &c. God and Liberty.

Mexico 15th December 1843.—*Trigueros.*

To his Excellency the Minister of Foreign Affairs &c.

A true copy.
Mexico, 28th December 1843.—*O. Monasterio.*

NUMBER 16.

Convention of the 10th February 1842, between the Bondholders and the House of Lizardi.

Inasmuch as on the 14th September 1837, there was concluded a convention between the Mexican Government and the holders of Mexican Bonds, for the Consolidation of the Foreign Debt of Mexico, providing for the payment of the interest on the same; and inasmuch as, in consequence of adverse political circumstances, which occurred in the Republic immediately after the conclusion of the same convention, the ratification thereof by the Mexican Congress did not take place until the year 1839, which delay was the cause of there having accrued arrears of two years' interest, at the time when the convention took effect; And in as much as a large sum of arrears of interest is actually owing on the said Mexican Bonds, causing great prejudice to the credit of the Mexican Government, and to the holders of Mexican Bonds; And inasmuch as, in order to assign additional Funds to defray the payments of the interest on the said Bonds, the Mexican Congress issued, under date of the 3rd August 1841, the decree of which a copy and translation are here given:

Now, therefore, in order to provide for the settlement of the existing arrears, and to place the payment of the future interest on the Foreign Debt on a footing of order and regularity, the following has been agreed to:—

Art. 1. The Congress having, by the above quoted decree of 3rd August 1841, authorized the Mexican Government to assign for the payment of the interest on the Consolidated Bonds of Mexico, a fifth part of the duties levied in the ports of Vera Cruz and Tampico, in lieu of a sixth part, which up to the present moment has been assigned thereunto; the Messrs. F. de Lizardi and Co., having

	£	s.	d.
Amount of Active Debt in February 1842	4.623,968	0	0
Eight Coupons, or interest of Four years at 5 per cent. Annually.	924,793	12	0
Debentures at 50 per Cent	£462,396	16	0

been duly authorized to that effect, agree and promise in the name of the Mexican Government, that a fifth part of the duties levied in the said Custom Houses shall immediately be set aside, and shall be applied to the payment of interest on the said Bonds, in the same manner and according to the same rules, as a sixth part was hitherto set aside and applied for the same purpose by the said Convention of 1837. This article shall be carried into effect as soon as the present convention shall reach the hands of the Mexican Government.

Art. 2. The Messrs. F. de Lizardi and Co. agree to pay in London the half year's dividend on the said Consolidated Bonds, which falls due on the 1st of April next; but, in accordance with the request of the said committee, only on such bonds as have not obtained certificates for the dividend of April, 1838; and in like manner the dividends of October, 1842, and April and October, 1843, shall not be paid on such bonds as have received certificates admissible at the Custom-houses, for the dividends of October, 1838, and April and October, 1839.

Art 3. The Committee of Spanish American Bondholders, agree-subject to conditions to be hereinafter mentioned, and in consideration of the above stated augmentation in the amount of the Customs duties conceded by the Mexican Congress-to accept on behalf of the Bondholders in payment of the four years' arrears of interest which have accumulated up to 1st October last, Government debentures for fifty per cent. of the said arrears, which debentures shall be delivered to the bondholders by Messrs. F. de Lizardi and Co., in exchange for the first eight coupons actually due; and as regards the bonds on which some part of the said arrears has been paid by means of certificates on the Custom-houses, the following rules shall be observed:—On those bonds, the coupons of which, due up to April 1st, 1838, have been paid with certificates on the Custom-houses, there shall be delivered in exchange for the debentures, the coupons of October, 1838, of April and October 1839, 1840, 1841, and April 1842; and on those bonds, the coupons of which due in April and October 1838 and 1839, have been paid with certificates, there shall be delivered up the eight coupons corresponding to the years 1840, 1841, 1842 and 1843, so that the concession made be equalized for all the bondholders.

Art. 4. There shall be applied to the redemption of the said debentures, such surplus as may from time to time remain in the hands of Messrs. Lizardi and Co., from that part of the said Customs' Duties which is to be remitted to them, or from whatever other funds they may receive in remittances for the payment of dividends, after provision has been made for the payment of interest as it falls due. This assignment will begin to take effect after provision has been made for payment of the half yearly dividend due on the 1st of October next, and thus successively after provision has been made for each dividend falling due; and the distribution of this fund among the holders of the debentures, shall take place whenever it amounts to five per cent. of the amount of the latter.

Art. 5. The sums paid from time to time on the debentures, shall be endorsed on the back of the latter, until the whole amount is paid off.

Art. 6. One of the principal objects of this Convention being to secure for the

future the punctual payment of the dividends on the Mexican Bonds as they fall due, it is declared and agreed to by the present, that unless four half yearly payments of interest be successively and duly made in London, commencing from the 1st of April next, the said debentures shall represent the total amount of the four years' arrears of interest, instead of one half that amount, so that if the four payments alluded to be not made, the concession proposed in Art. 3, shall in no wise take effect.

Art. 7. In order to provide a fund for the gradual extinction of the present foreign debt of Mexico, the Messrs. Lizardi promise and bind themselves by the present, to use all the means in their power to obtain from the Mexican Government an order to set aside five per cent. of the duties collected in the Custom-houses of the Republic in the ports of the Pacific, in the same manner as this is at present done with regard to part of the duties collected in Vera Cruz and Tampico; and that such part of the duties collected in the Custom-houses of the Mexican ports of the Pacific, be set aside and regularly remitted to this country every month, or by every opportunity for so doing, in order that it may be applied to the gradual redemption of the said consolidated Mexican Bonds.

Art. 8. This Convention shall, as regards the Committee of Spanish American Bondholders, be subject to the approbation of the Mexican Bondholders, and to this end a meeting shall be convened on Friday, the 11th instant, to take this matter into consideration.

Art. 9. If this Convention be confirmed by the said meeting, the Messrs. Lizardi bind themselves to announce immediately the payment of the dividend falling due on the 1st April next, the funds now in the hands of Messrs. Baring, Brothers and Co., having previously been paid over to them.

Art. 10. In case this Convention be not confirmed by the meeting of bondholders, all the matters and obligations contained therein, shall be null and void.

Art. 11. None of the contents of the present shall affect the stipulations contained in the convention Concluded between the Mexican Government and the Mexican Bondholders, on the 14th September, 1837, more especially those of Art. 12, by which, besides that part of the Customs' revenues which is more especially dedicated to the payment of dividends, the whole of the revenues of the State are solemnly declared responsible for the payment of the interest of the said Mexican Bonds.—Signed in London, 10th February, 1842.—*F. de Lizardi & Co.*—*G. R. Robinson*, Chairman of the Committee.

In a meeting of the Mexican Bondholders held at the London Tavern on the 11th February, 1842, in pursuance of public advertisement. G. R. Robinson, Esq. in the Chair. (*)

(*) Thus in the original—*Tvl.*

NUMBER 17.

LAW OF 28TH APRIL 1845. ON THE ADJUSTMENT OF THE FOREIGN DEBT, WITH THE LAWS OF THE CONVERSION OF 1846. AND OTHER OFFICIAL DOCUMENTS RELATIVE TO THAT CONVERSION.

Ministry of Finance.—First Section.—His Excellency the President, *ad interim*, of the Republic has been pleased to direct to me the following Decree:—

[illegible] General of Division and President, *ad interim*, of the Mexican Republic to the inhabitants of the same, maketh known:—That the National Congress has decreed and the Executive Government sanctioned the following:—

Art. 1. The Government shall proceed to liquidate and definitively to regulate the foreign debt, and take all the measures necessary to effect that object.

Art. 2. The Government will in effecting this settlement, be guided by the following rules:—

First. Interest is not to be capitalized. Second. No higher rate of interest than five per cent per annum may be agreed to. Third. Neither must the actual amount of the legal foreign debt be increased. Fourth. For the payment of the same no new duty must be alienated nor can the whole or part of the revenues of the Republic be hypothecated.—*José Maria Navarro*, Deputy-President. *José Ignacio Gorostiza*, Vice-President of the Senate; *José Guadalupe Cuevas*, Deputy Secretary. *José Joaquin de Rozas*, Senator Secretary.

And accordingly it is ordered that the present be printed, published, circulated, and carried into effect.

Palace of the National Government in Mexico, 28th April, 1845.—*José Joaquin de Herrera*.—To D. Luis de la Rosa.

And I communicate it to you for your information, &c.

Mexico, 28th April, 1845.—*Rosa*.

DECREE OF HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC, OF 5TH MARCH, 1846.

Ministry of Finance.—Mexico, March 5th, 1846.—His Excellency the President of the Mexican Republic, acting on the authorization granted by the Decree of 28th April of last year, has ordered as follows:—

Art. 1. There shall be created a new Consolidated Stock of the value of four million six hundred and fifty thousand pounds sterling.

Art. 2. To this end there shall be issued, in London, bonds for that amount, signed by the person or persons, whom the Government shall appoint its agents

for this transaction. These bonds shall also be signed by the Minister Plenipotentiary of the Republic in London, or by his representative.

Art. 3. The capital of £4.650,000 of the New Stock shall be refunded by the Republic within the term of ninety-thee years, dating from the Ist of June of the present year, and ending on the Ist of June, 1939. In every year which elapses between the two dates, there shall be remitted to London two hundred thousand dollars to be applied to the redemption of bonds belonging to this new stock, the redemption to be effected at the market price, as long as this does not exceed the nominal value of each bond; but should the market price exceed this, that is to say, should the value of the bond rise above par, the redemption shall be effected by means of drawing lots among the existing bonds, the Mexican Government paying them at par. The Republic may, whenever it is deemed expedient, increase the sum of 250,000 dollars, to be remitted to London for the redemption of bonds.

Art. 4. The bonds redeemed each year, shall immediately be cancelled in presence of the Minister and the agents of the Republic in London, and of the Committee or other representatives of the bondholders. The numbers and amounts of the said redeemed bonds, shall be published in the *London Gazette*, and in two other Newspapers that may be agreed upon.

Art. 5. As guarantee for the £4.650,000 and the interest thereon, as also for the Sinking Fund, the Mexican Republic pledges in general all its revenues and especially and distinctly the Tobacco monopoly. It likewise promises to preserve this branch of revenue and to encourage it by giving it especial attention, and to introduce the utmost economy into the administration of it, in order that its net proceeds may at all times prove a full guarantee for the new Stock and the interest thereon.

Art. 6. In case, for reasons at present unforeseen, the Tobacco monopoly should be abolished, the Government of the Republic binds itself to hypothecate in an especial manner some other branch of the public revenues, the produce of which shall be sufficient to ensure the faithful fulfiment of its engagements.

Art. 7. The interest of 5 per cent. annually, to be borne by the principal of the New Consolidated Stock, shall commence from the 1st of July of the present year 1846, and shall be paid half-yearly in London, falling due, if it be not a holiday, on the first day of December and of June of each year.

Art. 8. Out of the produce of the tobacco revenue there shall be paid monthly, to the agent or agents of the bondholders in Mexico, the sum of 96,865 dollars, which will be equivalent to 1.162,500 dollars yearly, being the amount of the interest on £4.650,000. There shall be paid in like manner the sum of 20,835 dollars, 3 cents, which will make up 250,000 dollars, which are to be applied each year to the sinking fund. As the exchangeable value of the Mexican dollar in London, does not correspond exactly with the money which circulates here, the difference of amount between the sums received in Mexico and those paid in London reduced to pounds sterling, shall be at the charge of the

Republic. The monthly payment of interest shall diminish proportionally to the gradual redemption of the bonds.

Art. 9. The sums to be received monthly for payment of interest by the agent or agents of the bondholders in the Republic, shall be remitted by them by each packet, the remittance being effected in bills of exchange at the current price, in specie, or in gold or silver bullion, as may best suit the Republic, and the Government may order. The premium or exchange, in the first case, and shipping charges and freight in the other, shall be at the charge of the Republic, so that the monthly amount of interest may be received in London reduced to pounds sterling, without any deduction. The Government will allow to the said agent or agents, as their whole and sole commission for receiving, shipping, postage, &c. 1 per cent. if the remittances be made in bills of exchange, and 1¼ if they be made in specie or bullion. The same rules shall exist relative to the 250,000 dollars or any larger sum, which is to be deposited in London each year, for the redemption of the capital

Art. 10. The sums which the said Agent or Agents remit monthly to London, shall be received in that capital by the house of Schneider & Co., the present Agents of the Republic, to be applied by them to the payment of the principal and interest respectively, for which they shall have one per cent. commission on the ready money which they disburse.

Art. 11. The Government of the Republic intend to apply the requisite portion of this New Consolidated Stock to the payment of Dividends actually due on the active Bonds, in case the holders of the latter shall voluntarily assent to receive Bonds of this New Stock in payment of the amounts due to them. A portion of this New Stock shall likewise be applied to the conversion of all the deferred Bonds and Debentures which have been issued, whatever be their amount, at the rate of £100 of the New Stock for £250 of the Deferred Debt and Debentures, and the holders may freely effect the conversion thereof, if it be agreeable to them. Finally, the Government, to secure in future a more punctual and exact payment of the Dividends on the Active Debt, will assign for this purpose the Duties on the exportation of Silver from the Ports of the Pacific, the produce of which shall be remittedt o London.—*Parres.*

Contract with Messrs. Manning and Mackintosh, of 5th March 1846.

Minister of Finance, Mexico, 5th March 1846.—His Excellency the Secretary of State, for the Department of Finance, by order of His Excellency the President, *ad interim*, of the Republic, has concluded with Messrs. Manning and Mackintosh, the following Convention:—

Art 1. The house of Messrs. Manning and Mackintosh agree to purchase from the Government the surplus of the £4.650,000 of Bonds which are to be issued in London for the conversion of the deferred Debt, and Debentures, and

the Payment of the three Dividends on the Active Debt, on the bases fixed at the creation of the Stock, and on the following conditions:—

Art. 2. The house of Messrs. Manning and Mackintosh shall deliver to the Government, 1.500,000 dollars, in Tobacco Bonds; 500,000 dollars in Twenty-six per cent. Bonds; 2.500,000 dollars, in acknowledged claims, bearing interest; 500,000 dollars in acknowledged claims not bearing interest and 1.600,000 dollars in cash.

Art. 3. The house of Manning and Mackintosh shall come to an agreement with the holders of the Bonds and of the other claims mentioned in the preceding article, so as to obtain and deliver them to the Government at the periods to be hereinafter determined, without involving the Government in any liability in so doing.

Art. 4. The Government binds itself to relieve the Tobacco Revenue from all the hypothecations which at present encumber it, with the exception of that of the fund for pious uses of California; the 6,000 dollars forming the stipend of that bishopric, and the 6,000 dollars assigned to the bishopric of Chiapas:-effecting this by the 1st day of June of the present year. In case the Government is unable to clear off some one or more of the mortgages which at present encumber the Tobacco Revenue, and that for this reason the amounts to be remitted monthly to London, in payment of the Bonds which are to be issued, should not be punctually forthcoming, the Government shall pledge for the deficiency some other part of its revenues which may satisfy the contracting house; and if the latter should not be satisfactory, Messrs. Manning and Mackintosh shall be at liberty to retain from the amount of the cash payments, which, according to this agreement, they are to pay in, a sum sufficient to cover the deficiency in the Dividends, caused by short-comings of the Tobacco Revenue.

Art. 5. In order that the payments of interest, and of the Redemption Fund, may be realized out of the Tobacco Revenue with due punctuality, and that this revenue may at all times be preserved in a productive state, the following amounts shall be deducted preferentially fom its produce: First.—The amount of all the expenses connected with the administration thereof. Secondly.—The payment for the purchase of the Tobacco crop of the country. Thirdly.—The Tobacco and Paper contracts, foreign as well as domestic. Fourthly.—The 6,000 dollars, which are at present assigned to the Bishop of California, the 18,000 dollars, to which the interest of the Fund for pious uses of that department, amounts the 6,000 dollars forming the stipend of the Bishop of Chiapas, and the amounts paid on old obligations affecting this revenue.

Art. 6. A portion of the produce of this Revenue was applicable to the payment of the Old Tobacco Bonds, and although by a subsequent law these were to be converted into 26 per cent. Bonds, yet, if the holders should by legal process obtain the restitution of the mortgage, the Mexican Republic shall not in that case be obliged to make good such portion of this revenues as shall be allotted for the payment of the said Bonds.

Art. 7. The 1.500,000 dollars of Tobacco Bonds, and the 500,000 dollars of the 26 per cent. Stock, shall be delivered in by the contracting house, at the la-

test on the last day of April of the next year, 1847. Together with the Bonds, the said house shall deliver in the receipts in cash corresponding to each Bond of the 26 per cent. Stock from the month of June of the present year. (?) The 2.500,000 dollars in acknowledged claims bearing interest, and the 500,000 dollars of the like claims not bearing interest, shall be delivered in by the contracting house, at the latest, on the 31st of August of the coming year 1847.

Art. 8. The 1.600,000 dollars in cash shall be paid in as follows: the 500,000 dollars which the contracting house has already paid into the general Treasury, in virtue of the contract which was not ratified, shall be considered as received; and the remaining 1.100,000 dollars shall be paid in monthly instalments of 300.000 dollars commencing the 1st day of July of the present year, if at that date the Government shall already have received notice from the Minister Plenipotentiary of the Republic in London, that the conversion of the deferred Debt and of the Debentures, has been effected.

Art. 9. The Mexican Minister in London shall not authorize nor deliver Bonds of the New Consolidated Stock, until he is sure of the conversion of the Deferred Debt and Debentures. The conversion shall be deemed to be sure, when the meeting of the Bondholders has expressed its consent to the conversion being effected at the rates fixed in the creation of the Consolidated Stock, and then the Minister Plenipotentiary of the Republic shall issue and deliver the New Bonds to the Commercial Agents of Mexico in that City, in order that they may effect the conversion. taking the necessary receipts from them for the security of the Republic.

Art. 10. The emission of Bonds shall take place in London, through the means of the Agent of the Republic, and in the presence of the Mexican Minister at the British Court, or of his representative, and of the commercial house indicated by Messrs. Manning and Mackintosh. The cancelling of the Old Bonds shall be effected by the Minister Plenipotentiary of the Republic, by piercing them through the centre with a puncheon of half an inch in diameter. The Mexican Minister in London, shall every month hold the Minister of Finance advised of the progress of the conversion, stating the numbers, letters and amounts of the New Bonds which have been issued. The Old Invalidated Bonds shall be deposited with due precautions for their security, according to the judgment of the Mexican Minister in London, so that at any time they may be produced as vouchers of the operation.

Art. 11. This contract shall be binding in case the conversion of the deferred Debt and Debentures be effected in London; and as soon as the Government shall receive notice from the Minister Plenipotentiary of the Republic, that the meeting of Bondholders has agreed to the conversion, the house of Manning and Mackintosh shall furnish the guarantees considered necessary for securing the due delivery of the 1.500,000 dollars of Tobacco Bonds; of the 500,000 dollars in 26 per cent. Bonds; of the 2.500,000 dollars of claims bearing interest; of the 500,000 dollars of claims not bearing interest; and of the cash payments to be made in virtue of this contract.

Art. 12. In the case that, from whatever cause, the Bondholders of the Active Debt, should not desire to receive the arrears of dividends in Bonds of the New Stock, the number of Bonds remaining over destined for this purpose, shall be for account of the Republic.

Art. 13. All the expenses of the conversion of the deferred Bonds and Debentures, and every expense connected with the operation, shall be at the charge of Messrs. Manning and Mackintosh. — *Parres.—Manning and Mackintosh.*

Proposals made to the Bondholders and accepted by them on the 4th June 1846.

Art. 1. There shall be created a New Consolidated National Debt, of the amount of £10.241,650 sterling, into which shall be converted, on the conditions hereinafter mentioned, the Active Bonds, the Deferred Bonds, and the Debentures, constituting the whole of the Foreign Debt of the Republic of Mexico.

Art. 2. For this purpose there shall be issued in London the corresponding amount of Bonds, signed by the party appointed by the Government as Agents for this operation, and also by me, the Minister Plenipotentiary of the Republic in London, or by the person who may be discharging the duties of that office for the time being.

Art. 3. For the redemption of this Debt, there shall be remitted to London, in monthly payments, the sum of 500,000 dollars every year, for the purpose of cancelling the Bonds of this New Debt, which is to be effected at the market value, so long as this shall not exceed the capital expressed by the Bond itself; but should it exceed it, that is, should the Bonds rise above par, the redemption shall be carried into execution by drawing lots from among the uncancelled Bonds, the Mexican Government paying them at par. The Republic reserves to itself the power of increasing, at its convenience, the amount to be remitted to London, beyond the 500,000 dollars a year for the purpose of redemption.

Art. 4. The bonds so redeemed every year shall be forthwith cancelled and invalidated in the presence of the Minister and agents of the Republic in London, and the committe appointed to represent the bondholders. The numbers and amounts of the said bonds so cancelled shall be published in the *London Gazette* and other journals agreed upon.

Art. 5. As guarantees for the payment of the interest, as well as for the redemption of the said new Consolidated Debt, the Mexican Republic hypothecates its entire revenues in general, and in an especial and distinct manner, that of Tobacco; the duty on the exportation of Silver from the Mexican ports of the Pacific; and one fifth part of the duties of Customs at the ports of Vera Cruz and Tampico de Tamaulipas. It engages further to preserve the Tobacco revenue, and foster it with particular care, practising the utmost economy in the management of it, so that its net produce may at all times constitute an adequate guarantee for the discharge of the said new Debt, and the interest thereon.

Art. 6. In case that, through any circumstances impossible at present to be foreseen, the Tobacco monopoly should be abolished, the Government of the Republic binds itself to make another special hypothecation of the public revenues, the produce of which shall be sufficient to ensure punctuality, in the payments or account of this New Consolidated Debt.

Art. 7. The interest of 5 per cent. per annum which the capital of this new debt is to bear, shall commence running on the 1st day of July of the current year, and shall be paid in London every six months, on the first day (not being a holiday) of January and July in each year.

Art. 8. From out of the produce of the Tobacco revenue there shall be delivered every month to the agent or agents, in Mexico, of the bondholders, the sum of 117,708 dollars, towards the payment of interest and redemption of the New Consolidated Debt. But if such sum of 117,708 dollars, with the one-fifth the Customs of the ports of Vera Cruz and Tampico de Tamaulipas and the duty on the exportation of Silver from the ports of the Pacific, shall not be found sufficient to cover the sum that may be necessary for meeting the payment of the half-yearly dividends, and the redemption fund to the amount of 500,000 dollars per annum, the deficiency shall be supplied and made good every month out of the said Tobacco revenue. And in the event of the said Tobacco revenue being found insufficient for that purpose, such deficiency shall be made good from some of the other branches of the revenue of the said Republic, so that the provision for the payment of the said half-yearly dividends and redemption fund may be punctually and faithfully made. As Mexican dollars, on account of their different value in London, do not correspond exactly with the money of account here, the difference between the amounts received in Mexico and those paid in London, reduced into pounds sterling, shall be for account of the Republic. The monthly quota or payment for interest to diminish in proportion to the amount of bonds redeemed or cancelled.

Art. 9. The sum which, towards the payment of the interest and redemption of the principal, is to be received monthly in the Republic, from out of the Tobacco revenue, by the agent or agents of the bondholders, shall be remitted by them by each packet. The remittances are to be made in bills of exchange at the current rate, in specie, or in bars of Silver or Gold as shall best suit the convenience of the Republic, or as the Government may order. The premium of exchange, in the one case, and the expenses of transmission in the others, shall be for account of the Republic, in order that without deduction, and reduced to pounds sterling, the monthly amount delivered in Mexico may be received in London. The Government will pay the said agent or agents for whole and sole commission, including postages, &c., one per cent. should the remittances be made in bills of exchange, and one and a half per cent. if in specie or bullion. The sums that the said agent or agents may monthly remit to London, shall be received there by the house of Messrs. John Schneider & Co., the agents for the Republic, for the purpose of making therewith the appointed payments of capital and interest, the Government allowing them one per cent. commission on their cash-payments.

Art. 10. The remittances from the duties of customs shall continue to be made every month, in the manner in which the same are at present made to the agents of the Mexican Government in London.

Art. 11. The Active Bonds shall be converted into this new Consolidated Debt, at the rate of £90 thereof for every £100 of Active Bonds, including therein the arrears of interest to the 1st July next, excepting £2: 10s. per cent. thereof, which will be paid in cash.

The deferred bonds and debentures shall be converted into this New Consolidated Debt, at the rate of £60 thereof for every £100 of deferred bonds and debentures.

Declaration of the Committee of Spanish American Bondholders relative to the Official Communication of Sr. Don Valentin Gomez Farias, of 28th August, 1846.

The Committee of Spanish American Bondholders having had under their consideration a letter from D. V. Gomez Farias, addressed under date of 15th instant, to the Editor of the *Times*, and another from Mr. Murphy, Mexican Minister at this Court, to the Chairman of this Committee dated, 19th inst, have come to the following conclusions:—

1. That Sr. Murphy, in the agreement made with the Mexican Bondholders on the 4th of July last, has in no respect exceeded the powers with which the Mexican Government had invested him for that purpose.

2. That the amount of the Mexican Debt is precisely that which the Mexican Government authorised to be created.

3. That the amount of interest payable annually on the debt is exactly the same as that authorised by the Government.

4. That the securities assigned for the payment of interest and for the redemption fund are exactly the same as those authorised by the Government.

5. That the only variation between the letter of Sr. Murphy's instructions from his Government, and his acts, consists in this, that, whereas the Government had proposed that the holders of deferred bonds and debentures should make certain concessions, the Bondholders themselves considered it more equitable that those concessions should be borne alike by the holders of all classes of Mexican Stock, viz.: active, deferred, and debentures, whereby the whole of the securities would be consolidated into one stock.

6. That this arrangement did not increase the responsibility of the Mexican Government, even to the amount of one single dollar.

7. That it is evident from the following extract from the instructions of his Government that Sr. Murphy was authorized to make this alteration. "His Excellency the President, *ad interim*, of the Republic, aware that the conversion is highly important to the Republic, because, besides diminishing the debt, it will raise its credit abroad, has ordered me to say to your Excellency,

expects from your activity and zeal, that you will succeed in bringing about the conversion on the stipulated basis, and that you will obviate whatever difficulties may arise, to which effect your Excellency is fully authorized."

8. That it appears to the Committee that with such instructions in his possession, (independently of his position as Minister Plenipotentiary at this Court,) Sr. Murphy might have rendered himself liable to the severest censure from his government had he omitted to do what he has done.

9. That in all his proceedings, he has had the concurrence of D. Guillermo O'Brien, of Paris, who was specially appointed Commissioner by the Mexican, Government to act in concert with Sr. Murphy in carrying out these operations, a fact which is attested by his signature to the bonds.

10. That on examining the letter of D. Valentin Gomez Farias to Sr. Murphy, dated Mexico, 28th August, in which the proceedings of the latter are repudiated, it becomes evident that the writer of the letter did not understand what these proceedings have been. They are wholly mis-stated as to matters of fact and as to the results arising therefrom.

11. That it is the less surprising that the Government should not have accurately understood these proceedings, as the new ministers were only appointed on the 28th August, and the letter of D. Valentin Gomez Farias is dated on that very day.

12. That the proceedings of the preceding Government were founded on an act of the National Congress, bearing date 28th April, 1845, and that they are in all respects binding on the Mexican nation.

13. That the validity of these proceedings cannot be affected by any subsequent change in the individuals administering the Government in Mexico.

14. That for the reasons assigned, the repudiation of the acts of Sr. Murphy by the existing Government of Mexico, is neither borne out by the facts of the case, nor capable of being maintained on any principle of law, justice, equity, or public faith.

Resolved.—That a copy of this Declaration shall be transmitted to the Right Honourable Lord Palmerston, with the request that this Lordship will forward it to H. M. Minister Plenipotentiary in Mexico, in order that he may make such representations to the Mexican Government relative to this matter, as may lead to the entire confirmation of the acts of Sr. Murphy in this matter.

London, 27th Oct., 1846.—*G. R. Robinson*, Chairman.

Ministry of Finance.—His Excellency the General, charged with the Supreme executive power, satisfied with the zeal and activity with which the old house, of which you are a partner, has for a length of time discharged the duties of the agency of the Republic, and confiding in your patriotism as a good Mexican, has determined to entrust you with the said agency, convinced that you will discharge the duties thereof with that probity which characterizes you, and which the important business requires, with which, on that account, you are now charged. His Excellency presumes, that in virtue of previous orders, Messrs. Schneider and Co. have already made over the agency to General Don José María Mendo-

za, our Chargé d'Affaires, in which case it will be from the latter that you will receive it, together with all the funds, *documentos de credito*, papers, and everything else appertaining to it, belonging to this Government But should this not be the case, you will claim from Messrs. Schneider and Co. themselves, the funds, *documentos de creditos*, and whatever else belongs to the agency.

God and Liberty.—Mexico, Nov. 28th. 1846.— *Villamil.*

To Sr. Don Manuel J. de Lizardi, London.

Opinion of the Attorney-General and of Dr. Phillimore.

The following documents having been submitted to them, viz:—

The Convention of 4th June, 1846; the communication of the Minister of Finance of 6th October, to Messrs. Manning and Mackintosh; the communication of these gentlemen to Messrs. Schneider of 28th same month; the communication of the Minister of Finance to Manning and Mackintosh, dated 17th November; and lastly, the communication of these gentlemen to Messrs. Schneider, of the 20th November, the above-named advocates delivered the following opinion.—

" It results from the documents submitted to us, that a contract of the great-
" est importance was concluded between an independent State on the one side,
" and certain public creditors, the subjects of á Foreign State, on the other. It
" further appears, that this agreement had subsequently been fully and uncon-
" conditionally ratified by the State which promoted and authorised the nego-
" tiation.

" We are therefore of opinion, that according to the law of nations, neither of
" the contracting parties can withdraw from the fulfilment of the agreement
" without the consent of the other; that no subsequent change in the internal
" government of the contracting State, or in the opinions of its governors, can
" give it the right thus to break its faith solemnly engaged; and that, were it to
" do so, this would constitute a flagrant violation of the most sacred and most
"firmly established principles of international law."

NUMBER 18.

Order, by which Sr. Mora, Mexican Minister, in London, is ordered to sign Bonds to the amount of Two Hundred Thousand Pounds, to be issued by Lizardi.

Excellent Sir,—The orders issued from this Ministry, that the Minister Plenipotentiary of the Republic at the Court of H. B. M. should sign bonds to the amount of £200,000, of the issue of which by Messrs. F. de Lizardi and Co., the Decree of 28th June, 1843, treats, not having been carried into effect, his Excellency the President, *ad interim*, has resolved that your Excellency shall proceed

to sign the said Bonds, which order of his Excellency I now communicate to you, availing myself of this opportunity to offer to your Excellency the assurances of my particular esteem.

God and Liberty, Mexico, July 27th, 1847.—*Rondero.*

To his Excellency the Minister of the Republic in London.

A true copy, given by order of his Excellency the Minister, in Mexico, on the 25th April, 1850.—*J. L. Huici.*

NUMBER 19.

Ratification of the Conversion of 1846, by General Santa-Anna.

Excellent Sir,—His Excellency the President, *ad interim*, has been pleased under yesterday's date to order as follows:—

"Taking into consideration the arrangement relative to the conversion of the foreign debt of the Republic, which the Minister Plenipotentiary of the Republic in London proposed to the bondholders, and which was agreed to by them in a meeting held on the 4th June of last year, 1846, considering also the desire manifested by the parties interested in this transaction, to maintain the rights which they have obtained by the said agreement,—the representations of H. B. M's Government, bound to protect the said rights,—the respect due to this friendly power, and those reasons of public expediency, which, if they be at all times worthy of attention, are more particularly so under the extraordinary circumstances in which the nation is placed at present, by the war with the United States of the North: I have, with the concurrence of the Ministers of State, and in virtue of the power vested in me by the law of the 20th April last, consented to ratify, as by the present I do ratify, the approval already given to the before- mentioned arrangement for the conversion of the Foreign Debt of the Republic, which will by this conversion, be reduced to ten millions two hundred and forty one thousand six hundred and fifty pounds, it being understood that this ratification has been given in conformity with the terms proposed by Messrs. Manning and Mackintosh in the accompanying statement. Accordingly, let the necessary communications be made and the proper orders issued."

And I have the honor to send it to your Excellency by order of His Excellency the the President, *ad interim*, in order that you may communicate it to His Excellency the Minister Plenipotentiary of H. B. M.

God and liberty.—Mexico July 20th, 1847 *Rondero.*

To His Excellency the Minister of the Home Deparment and of Foreign affairs.

This is a true copy, which by order of His Excellency the Minister, I gave in Mexico 29th April, 1850—*J. L. Huici.*

NUMBER 20.

CONTRACT WITH THE HOUSE OF MACKINTOSH REFERRED TO IN THE PRECEDING RATIFICATION.

(Stamp, eight dollars, 1846, 1847.)—Proposal which Manning and Mackintosh have the honor of submitting to the Supreme Government, in lieu of that presented on the 30th October of last year, which though assented to, was not carried into effect.

Art. 1. The Supreme Government shall, through the medium of His Excellency the Minister of Foreign affairs, notify to His Excellency Charles Bankhead, that the Conversion of the Foreign Debt, in its totality, has been approved of, in accordance, with the agreement concluded between the Minister Plenipotentiary of the Republic in London and the Bondholders at the meeting held on the 4th June of last year.

Art. 2. Instead of the loan of 500,000 dollars to which that agreement refers, and which was appropriated to the payment of dividends, the house of Manning and Mackintosh by the present bind themselves to pay into the General Treasury the sum of six hundred thousand dollars in the following manner: four hundred thousand dollars in cash and at periods to be fixed by agreement with the Minister of Finance; fifty-eight thousand dollars in drafts of the house of Schneider & Co. for advances to the Mexican legations, and in some certificates held by Manning and Mackintosh on the revenue of the *conductas* of the Republic, and the balance of the said sum of six hundred thousand dollars shall be made up by drafts of the Mexican Mint of last year, or by other papers representing ready money.

Art. 3. Tho house of Manning and and Makintosh shall retain in their possession until the 1st of April, 1848, the five million dollars of Government Securities, (créditos,) which they were to deliver up according to the contract for the conversion, and if at that date the Government of the Republic pay back to them in cash the six hundred thousand dollars alluded to in the preceding clause, they shall deliver up the securities (creditos) to the amount and of the description specified in the contract; but, in the contrary case. they shall be relieved from this obligation, and the Government also from the repayment of the money.

Art. 4. As the Republic, by the conversion of the Debt, effected a saving of One Hundred an odd Thousand Pounds on the payment of the Dividends, to the prejudice of the interests of the contracting house, as is proved by the communications of the Minister Plenipotentiary in London, and as the loss which the said house sustained thereby, amounted to Forty-five Thousand Six-hundred and Thirty-five pounds sterling, this sum shall be allowed to the house of Manning and Mackintosh, who shall receive a certificate for that amount, at the exchange

of Forty-four pence per dollar, issued by the General Treasury, as for cash received, and which shall likewise be received as cash in any contract now pending, or that may be entered into hereafter with the house; it being understood, however, that this certificate is not available as part of any sum to be remitted to London for the payment of Dividends.

Art. 5. The whole amount of the sums in the Custom-houses collected for the payment of Dividends, and which were appropiated by the Government in virtue of a Decree of 2nd May last year, shall be repaid in permits for the importation of raw cotton, the rate of six dollars six rials per quintal, being fixed from the present moment has the sole duty and contribution, of whatever nature, to be levied thereon; with the understanding that, if in future the rate of these particular permits, or of the duties payable by the general commerce of the Reblic, on the said raw cotton, should be fixed lower than at six dollars six rials per quintal, the house of Manning and Mackintosh, as representatives of the Bondholders, shall enjoy the benefit of the reduction.

Art. 6. The orders required by the contracts concluded on the 9th October 1845, and 5th of March 1846, and those with reference to the duties on cotton, shall be despatched immediately and without any delay.

Mexico, 19 July 1847.—*Manning and Mackintosh.* This is a true copy which by order of His Excellency the Minister of Finance, I have given in Mexico, 29th April 1850.—*J. L. Huici.*

NUMBER 21.

Decree of 14th October 1850, which regulated the Mexican Debt, and was accepted by the Bondholders.

Secretariat of State, &.—Department of Finance, & Public Credit.—1st. Section.—Under this day's date His-Excy. The President has been pleased to address me the following decree:

"Jose Joaquin de Herrera, General of Division and President of the United Mexican States, to the inhabitants of the Republic, Know Ye: That the General Congress has decreed as follows:

Article 1st. If the creditors of the debt contracted in London and converted in the year 1846, should agree to the conditions which will be expressed in the following articles, the Government will deliver to them an order for two millions and a half of dollars, of the indemnity owing by the United States.

Article 2nd. The conditions alluded to in the preceding article are the following.

First. That the interest of the debt is definitively reduced to Three per Cent per annum, upon the capital of Ten millions, two hundred & fifty Pounds Sterling, which is the only amount the nation recognises.

Second. That with the said two millions five hundred thousand dollars, with the amounts received up to the date of this law and what they may receive until the approbation of the settlement now proposed to them, they shall consider themselves paid for all interest due up to the day of the ratification of this arrangement.

Third. For the payment of the interest of the new 3 per cent fund, there is specially assigned 25 per cent. of the import duties of the maritime & frontier Custom Houses; 75 per cent. of the export duties in the Pacific ports, and 5 per cent of the same duties in the ports in the Gulf, the amount of such dividends to be completed from the other national revenues, when the assignments specified, should not be sufficient to cover them in full.

Fourth. During the first six years subsequent to this arrangement, nothing more shall be dedicated to the redemption than the surplus of these assignments, if such surplus should exist: after this time there shall be remitted to London, annually, Two Hundred & fifty thousand dollars for redemption, which remittance shall be made at the current Exchange, provided it does not exceed par.

Article 3rd. The Bondholders may, if they deem fit, name agents in the ports, who shall be recognized in this character, but from the moment in which such agents receive the funds, all responsibility on the part of the Mexican Government ceases. Said Government shall defray the usual expenses of shipment, landing, insurance and freight.

Art. 4th. The actual Bonds converted in 1846, shall be changed for others which shall be issued by the General Treasury and countersigned by the Agent of the Republic in London. No Bond of the new fund shall be placed in the market, without another of equal value, number & letter having been previously cancelled by punching a hole therein of one inch in diameter, and they shall be deposited in the archives of the Legation, and every month, specified list of the Bonds so cancelled, shall be published. The Republic declares that it will not be responsible for the Bonds that may be issued without these special conditions. No commission, brokerage, or agency shall be paid for the conversion spoken of in this law.

Article 5th. The agency in London shall be directed by commissioners removable at the option of the Government, and without any right to pension; these Agents shall be Mexican citizens by birth, and the Chief Agent shall be named by the Government, with the approbation of the Senate, and the expense incurred in these employés shall not exceed Fifteen Thousand dollars per annum. The functions of the Agent, as far as regards the distribution of the funds, are limited to depositing the sums remitted to him in the Bank, and making the dividend at the proper time.—Lino Alcorta, Vice-president of the chamber of Deputies.—Teodosio Lares, Vice-president of the Senate.—Agustin S. de Tagle, Deputy Secretary.—José Ignacio Villaseñor, Senator Secretary.

Wherefore, I order the same to be printed, published and circulated, and that due compliance be given thereunto.

Palace of the Federal Government in Mexico, this 14th day of October 1850. *José Joaquin de Herrera.*—To Don Manuel Payno."

And I communicate the same to you for the requisite purposes.

God and Liberty. Mexico, October 14th 1850.—*Payno.*

NUMBER 22.

FOREIGN DEBT.—NEW BONDS ARE ISSUED FOR THE SUM HEREIN EXPRESSED.

Department of Finance.—His Serene Highness the General President, has been pleased to address me the following decree:

Antonio Lopez de Santa-Anna, "Benemerito" of the country, General of Division, Grand Master of the National and distinguished order of Guadalupe, Knight Grand Cross of the Royal and distinguished order of Charles the 3rd and President of the Mexican Republic, to the inhabitants thereof, Know ye:

That in virtue of the ample faculties, which the nation has been pleased to confer to me, I have deemed fit to decree as follows:

Art. 1. That in order that the declaration made in London by the Minister Plenipotentiary of the Republic on the 10th of September 1847, in the name and by order of the Supreme Government, specifiying the various sums which actually constitute the debt of the Republic, may have full effect, there shall be issued the amount of £470,610 in Bonds at the interest of 3 per cent per annum, from the 1st of January 1853 inclusive, and which shall be signed by the Minister of the General Treasury of the Nation. These Bonds shall be entitled to the same rights as those issued in virtue of the law of 14th October 1850, with which they are now embodied.

Art. 2. With these Bonds, the conversion shall be made of those called the deferred Bonds amounting to £784,350, issued by Messrs. F. de Lizardi & Co.

Art 3. For the payment of the interest of said Bonds for £470,610, there is assigned from the 1st of July of the present year, One and a half per cent of the proceeds of the import dues of the maritime Custom houses of the Republic, which shall be added to the fund of 25 per cent now assigned for the foreign debt, with the object that all the Bonds shall form one sole body, and have a common fund for the payment of their interest.

Art. 4. As the emission of these Bonds for £470,610 is to replace those for an equal sum created in 1846, with interest at 5 per cent, and which were deposited at the Bank of England, these shall immediately be annulled and destroyed.

Art. 5. The laws and other dispositions, which may have been enacted in the part opposed to the present decree, are hereby repealed.

Wherefore I order the same to be printed, published and circulated, and that due compliance be given thereunto. Given in the Palace at Tacubaya, this 30th

day of September 1854—*Antonio Lopez de Santa-Anna.*—To the Minister of Finance and Public Credit.

And I communicate the same to you for your information and the requisite purposes.

God and Liberty. Mexico, September 30th 1854.

The minister of Finance & Public Credit.—M. Olasagarre.

NUMBER 28.

Agents of the Bondholders.

Secretariat of State & Department of Finance & Public Credit. His Excellency the President *ad interim* of the Mexican Republic to the inhabitants thereof. Know ye:

That in virtue of the powers conceded to me by the plan of Ayutla, reformed in Acapulco, I have deemed fit to decree as follow:

Art. 1st. From the date of the publication of the present decree in each seaport, the Administrators of the maritime and frontier Custom Houses, shall draw upon the houses indebted for duties, in favor of the Agents of the Bondholders for the debt contracted in London, that part of said duties, assigned to the payment of the interest on said debt by the 3rd paragraph of the 2nd article of the law of 14th October 1850. When these drafts are accepted, payable in hard dollars of the just and lawful coin, they shall be delivered to the Agent designated by the Bondholders or by their representative in the Republic. The said agent shall receive at once, that part of the duties applicable to the payment of the dividends which should be paid in cash.

Art. 2nd. Immediately that the money and drafts be delivered, the responsibility of the Government ceases, except in case said drafts be legally protested.

Art. 3rd. The Agents shall remit to the Bank of England the sums they may recover, to the joint consignment of the financial agent of the Republic and the Committee of Bondholders, and these sums shall be realized, and their nett proceeds credited in the customary manner.

Art. 4th. The maritime Custom Houses shall only pay the cost of the boxes, packing and shipping of the money, until its delivery on board of the vessels on which it is to be embarked for direct transportation either by English Men-of-war or Packets, and in the absence of these, by English merchant vessels; and if the remittances be made viâ the Isthmus, the carriage shall also be paid to Panama or to any other seaport on the Pacific. The customary freight, insurance and unloading in England, shall be paid in London by the Mexican Agency, who shall advise the cost thereof to the Department of Finance, in order that it may be refunded by the following Packet.

Art. 5th. In the ports where there are no agents or where there is no convenience for remitting the money, the Government shall receive the sums to be

neral meetings of the 4th & 11th July last, in as far as they have reference to their claims against the Supreme Government, and their observations, which I am encharged to make manifest, very particularly, not only to your Excellency, but also to His Excellency the President, personally, and they are as follows:

At the meeting of 4th July.—Resolution 2nd.—That this meeting respectfully but firmly begs Her Majesty's Government to continue their demands upon the Government of Mexico for the restoration and repayment of the $ 660,000, along with costs incurred, and such interest as is usual in Mexico,—viz, 1 per cent per month, as it was fixed in the case of the robbery of the conducta to Tampico by Degollado.

Resolution 3rd. That, having reference to the solemn decrees by the Legislature and Supreme authority of Mexico, and the agreements entered into by that Government in respect of the public debt contracted in London, by which Special Assignments of Custom-House duties have been made to the Bondholders, this meeting also begs Her Majesty's Government to insist on the Mexican Government faithfully adhering to, and fulfilling their engagements.

Resolution 4th. That, having reference to the correspondence which has taken place for some years past between Her Majesty's Government and the Committee of Mexican Bondholders on the subject of Interventors in the Custom-Houses, and especially to Lord Malmesbury's letter of instructions to Mr. Otway of the 1st. July, 1858; and to the general conclusions arrived at, this meeting begs Her Majesty's Government to instruct their Minister at Mexico to insist on the appointment of Interventors.

Rcsolution 5th. That a protracted and melancholy experience of the international conduct of the United States of Mexico has shown that, partly from the demoralizing effect of civil war, partly from other causes, none of the successive Governments of the Republic have evinced any regard for obligations, however solemnly contracted, towards the foreign public creditor; that it has therefore become a matter of evident necessity and simple justice, that the *Bondholders* should determine the mode and character of the guarantees which are to be deemed adequate for this purpose.

That, having regard to the long and scandalous catalogue of broken promises and violated pledges, crowned by an act of open robbery committed under the authority of the *de facto* Government of the Mexican Republic upon her British public creditors, no reliance can any longer be felt by them as to the fulfilment of any further engagement undertaken with reference to them by that State, unless our Government intervene, as it is fully warranted in doing by the principles and precedents of international law, to enforce the just demands of the Bondholders with respect to obtaining adequate security for their future payments.

Resolution 6th. That as the mysterious disappearance of the Nationalized property of the Church in Mexico, which has been alleged since the publication of the Committee's Report, is incredible, and cannot be accepted as a fact, our Government be respectfully requested, on the grounds stated in the preceding resolution, and in the Committee's Report section 8, paragraph 4, page 18, to

NUMBER 24.

CONVENTION WITH CAPTAIN DUNLOP. R. N.

Secretariat of State and Department of Foreign affairs.—Your Excellency.—In conformity with the resolution agreed upon with His Excellency the President, in reply to the note of this date addressed to me by your Excellency including that transmitted yesterday by the Commander of the English naval forces in the Gulf, I have to reduce to clear and distinct points the answer to be given to that gentleman, now that the questions on both sides have been fully discussed and that the nature of the concessions made by His Excellency the President should be understood; Your Excellency will therefore be pleased to give the following reply:

1st. The Custom House of this port shall form and deliver to Her Britannic Majesty's Consul, in the respective order already received by that Deparment, an exact account of the assignments of the British Convention for the year 1858.

2nd. The Custom House of this port, as well as the others of the dependence of the Constitutional Government now resident in Vera Cruz, shall form and deliver to Her Majesty's Consul here, or to the persons authorized by him, monthly Statements of the receipts in said Custom Houses.

3rd. The assignments made to British creditors shall be punctually and fully paid; as the Constitutional Government is disposed to fulfil this obligation in the best of faith.

4th. Besides the payment of the Sixteen per cent of the English Convention, and the Twenty five per cent appertaining to the Mexican Bondholders in London, there shall now be set apart, Eight per cent of the import duties incurred by foreign vessels (with the exception of French vesseels which are already much overburdened), for the payment of arrears of interest and redemption of the British Convention.

5th. Immediately after covering the amounts due on the French Convention, —the sums pending for orders of payment issued in favor of French subjects up to the 17th December 1857,—and the amount agreed upon by way of indemnity also in favor of French subjects, in the arbitration which is to take place as stipulated with Vice Admiral D. E. Pinaud, which sums are to be satisfied by another Eight per cent of the import duties, (also excluding French vessels,) the new assignment mentioned in the preceding stipulation for the payment of the arrears of the British Convention, shall be increased to Ten per cent; it being understood that in this assignment French vessels are not included.

6th. When the whole amount of the French Convention is once paid, the Ten per cent of the import duties alluded to for the payment of the arrears of the British Convention, shall be set apart, including the duties then caused by French vessels.

7th. The sum which remained unpaid in September last, belonging to the Mexican Bondholders in London, shall be paid.

8th. The Constitutional Government shall continue its efforts for the payment, by the Custom House of Tampico, of the sums belonging to British assignments, and in case these sums should not be recovered there, said Customs being under the dependence of the said Government, they shall be paid in this port. (Vera Cruz.)

9th. The sum of Four thousand four hundred & fifty three dollars due for balance of the total amount exacted from Messrs Jolly & Hazeon in Tampico shall be repaid, and this payment shall be made to H. B. M's. Consul in this port, within one month from the 1st. Inst., provided that it shall not have been previously paid in Tampico. Said amount shall not be deducted from the Eight per cent, assigned by the 4th Stipulation.

10th. In case his Excellency the Constitutional President *ad interim* should occupy the Capital,—as is to be hoped from his good rights and in virtue of the will of the majority of the nation,—he shall sustain, because he believes it just, what is herein stipulated; *but he declares, that in as far as these stipulations may serve as a basis for any future diplomatic convention, he deems it convenient to reserve to himself, and hereby reserves accordingly, the natural right of discussing what and how such convention ought to be, when the respective application shall be made in regular and due form.*

Explanatory Note. No merit is taken in these stipulations of the points referred to in the 6th, 9th, 10th & 11th articles of the note adressed by Your Excellency to the Commander of Her Majesty's naval forces on the 28th of January last, viz:— 6th. On annulling the decrees of this State of the 15th January and 15th March 1858, and leaving in force, in all its parts, the tariff of maritime & frontier Customs published in 1856.—9th. On the publication of a circular disapproving the conduct of His Excellency Señor Garza in Tampico, with regard to British subjects.—10th. On the salute that is to be given to the British flag in Tampico, & 11th, On the payment of Two Thousand five hundred dollars as an indemnity made to Mr. Hazeon for the losses and damages claimed by him;-because these affairs have been all arranged, and the resolutions adopted, satisfactorily settled, in mutual conformity, and all these matters considered finally closed. All of which your Excellency will bear in mind in the answer due to Captain Dunlop.

I renew to your Excellency the assurance of my very distinguished consideration. God & Liberty. Heroic Vera Cruz, February 3rd 1859.—*Ocampo.*—To His Excellency the Governor of the State.

NUMBER 25.

Convention with Captain Aldham R. N.

Department of Foreign affairs.—Memorandum of the terms which the undersigned Minister of Foreign affairs, agrees that Captain W. C. Aldham shall propose to Her Britannic Majesty's Government, to arrange the difficulties that have arisen in consequence of the infraction of the Dunlop Convention in the ports of Vera Cruz and Tampico.

Article 1st. There shall be set apart, in the Custom Houses of Vera Cruz & Tampico, an additional Ten per Cent of the import duties on all vessels, arriving at those ports, to cover the sums retained in said ports during the present year; and these sums being paid, the separation of the said Ten per Cent shall cease, and return to the common fund of the National Treasury.

Article 2nd. The current payment of the assignments shall commence again on the 1st of January 1861, except the new Ten per Cent. which shall only commence on the 1st. of the following month of February; before which time the Maritime Custom House of this port shall furnish Her British Majesty's Consul with a complete & exact statement of the sums not paid by said Custom House in all the present year. A similar specified and exact account shall be delivered to H. M's Consul by the Custom House of Tampico, in all the coming month of January, for the sums of the same nature which that Custom House may have failed to deliver in all the present year.

Article 3rd. The Government solemnly compromises itself not to tolerate hereafter the violation of this or the Dunlop Convention, and to discharge from its service & dependence, any public officer or employé, who may again act against this arrangement or that of Captain Dunlop. And with respect to those functionaries whose removal or punishment does not depend upon the Federal authority, it compromises itself to urge the tribunals, whose province it may be, to enforce with all energy the penalties incurred.

I certify that this is a true copy. Heroic Vera Cruz, December 15th 1860.—*Juan de D. Arias*, Chief clerk.

NUMBER 26.

Resolutions of the committee of Bondholders.

Mexico. September 14th 1861.—Your Excellency.—By order of the Committee of Bondholders of the Mexican Debt, contracted in London, I have the honor to transmit to your Excellency, a copy of the resolutions passed in the two ge-

LAWS AND DOCUMENTS

RELATIVE TO THE

ENGLISH CONVENTIONS.

NUMBER 1.

Treaty of Commerce and Navigation with Great Britain.

The President of the United Mexican States to the inhabitants of the Reblic. Know Ye:

That in the capital of London, on the 26th day of December of the past year 1826, there was concluded and signed a Treaty of Amity, Commerce and Navigation, with other two additional articles, between the United Mexican States and His Majesty the King of Great Britain and Ireland, through the medium of the Plenipotentiaries of both Governments, duly and respectively authorized for this purpose, which Treaty with its two additional articles, are of the following form and tenor:

In the Name of the Most Holy Trinity.

Extensive Commercial intercourse having been established, for some time, between the dominions of His Britannic Majesty and the United States of Mexico, it seems good for the security as well as the encouragement of such commercial intercourse, and for the maintenance of a good understanding between His said Britannic Majesty and the said States, that the relations now subsisting between them should be regularly acknowledged and confirmed by the signature of a Treaty of Amity, Commerce & Navigation.

For this purpose they have named the respective Plenipotentiaries, that is to say:

H. M. the King of the United Kingdom of Great Britain and Ireland, the R. H. William Huskisson, a Menber of His said Majesty's Most Honorable Privy Council, a Member of Parliament, President of the Committee of Privy Council for Affairs of Trade and Foreign Plantations, and Treasurer of His said Majes-

ty's Navy;—and James Morier Esqre.—And H. E. the President of the United States of Mexico, H. E. Señor Sebastian Camacho, his First Minister of State, and for the Department of Foreign affairs:—Who, after having communicated to each other their full powers, found to be in due and proper form, have agreed upon and concluded the following articles:

Article 1. There shall be perpetual amity between the dominions and subjects of His Majesty, the King of the United Kingdom of Great Britain and Ireland, and the United States of Mexico, and their citizens.

Art. 2. There shall be, between all the Territories of His Britannic Majesty, in Europe, and the Territories of Mexico, a reciprocal freedom of commerce. The inhabitants of the two countries, respectively, shall have liberty freely and securely to come, with their ships and cargoes, to all places and rivers in the Territories aforesaid, saving only such particular ports to which other foreigners shall not be permitted to come, to enter into the same, and to remain and reside in any part of the said Territories, respectively; also to hire and occupy houses and warehouses for the purposes of their commerce; and, generally, the merchants and traders of each nation, respectively, shall enjoy the most complete protection and security for their commerce.

In like manner, the respective ships of war and post-office packets of the two countries shall have liberty freely and securely to come to all harbours, rivers and places, saving only such particular ports (if any) to which other foreign ships of war and packets shall not be permitted to come, to enter into the same, to anchor, and to remain there and refit; subject always to the laws and statutes of the two countries respectively.

By the right of entering the places, ports, and rivers, mentioned in this article, the privilege of carrying on the coasting trade is not understood, in which national vessels only are permitted to engage.

Art. 3. His Majesty, the King of the United Kingdom of Great Britain and Ireland engages further, that the inhabitants of Mexico shall have the like liberty of commerce and navigation stipulated for in the preceding article, in all his dominions situated out of Europe, to the full extent in which the same is permitted at present, or shall be permitted hereafter, to any other nation.

Art. 4. No higher or other duties shall be imposed on the importation into the dominions of His Britannic Majesty, of any article of the growth, produce or manufacture of Mexico, and no higher or other duties shall be imposed on the importation into the Territories of Mexico, of any articles of the growth, produce, or manufacture of His Britannic Majesty's dominions than are or shall be payable on the like articles, being the growth, produce, or manufacture of any other foreign country; nor shall any other or higher duties or charges be imposed in the Territories or dominions of either of the contracting parties, on the exportation of any articles to the Territories of the other, than such as are or may be payable on the exportation of the like articles to any other foreign country; nor shall any prohibition be imposed upon the exportation of any articles, the growth, produce, or manufacture of His Britannic Majesty's dominions, or of the said

Territories of Mexico, to or from the said dominions of His Britannic Majesty, or to or from the said territories of Mexico, which shall not equally extend to all other nations.

Art. 5. No higher or other duties or charge on account of tonnage, light, or harbor dues, pilotage, salvage, in case of damage or shipwreck, or any other local charges, shall be imposed, in any of the ports of Mexico, on British vessels, than those payable in the same ports by Mexican vessels; * nor in the ports of His Britannic Majesty's Territories, on Mexican vessels, than shall be payable, in the same ports, on British vessels.

Art. 6. The same duties shall be paid on the importation into the Territories of Mexico of any article, the growth, produce or manufacture, of His Britannic Majesty's dominions whether such importations shall be in Mexican * or in British vessels; and the same duties shall be paid on the importation into the dominions of His Britannic Majesty, of any article, the growth, produce, or manufacture of Mexico, whether such importation shall be in British or in Mexican vessels. The same duties shall be paid, and the same bounties and drawbacks allowed, on the exportatión to Mexico of any articles of the growth, produce or manufacture of His Britannic Majesty's dominions, whether such exportation shall be in Mexican or in British vessels; and the same duties shall be paid, and the same bounties and drawbacks allowed, on the exportation of any articles, the growth, produce, or manufacture of Mexico, to His Britannic Majesty's dominions, whether such exportation shall be in British or in Mexican vessels.

Art. 7. In order to avoid any misunderstanding with respect to the regulations which may respectively constitute a British or Mexican vessel, it is hereby agreed that all vessels built in the dominions of His Britannic Majesty, or vessels which shall have been captured from an enemy by His Britannic Majesty's ships of war, or by subjects of His said Majesty, furnished with letters of marque by the Lords Commissioners of the Admiralty, and regularly condemned in one of His said Majesty's prize courts, as a lawful prize, or which shall have been condemned in any competent court for the breach of the laws made for the prevention of the slave trade, and owned, navigated, and registered according to the laws of Great Britain, shall be considered as British vessels; and that all vessels built in the Territories of Mexico, or captured from an enemy; by the ships of Mexico, and condemned under similar circumstances, and which shall be owned by any citizen or citizens thereof, and whereof the master and three-fourths of the mariners are citizens of Mexico, excepting where the laws provide for any extreme cases, shall be considered as Mexican vessels.

And it is further agreed, that every vessel, qualified to trade as above described under the provisions of this treaty, shall be furnished with a register, passport, or sea-letter, under the signature of the proper person authorized to grant the same, according to the laws of the respective countries (the form of which shall be communicated) certifying the name, occupation, and residence of the

* See additional articles at the end of this treaty.

owners, in the dominions of His Britannic Majesty, or in the Territories of Mexico, as the case may be; and that he or they is or are the sole owner or owners, in the proportion to be specified: together with the name; burthen, and description of the vessel as to build and measurement, and the several particulars constituting the national character of the vessel, as the case may be.

Art. 8. All merchants, commanders of ships, and others, the subjects of His Britannic Majesty, shall have full liberty, in all the Territories of Mexico, to manage their own affairs themselves, or to commit them to the management of whomsoever they please, as broker, factor, agent, or interpreter; nor shall they be obliged to employ any other persons for those purposes than those employed by Mexicans, nor to pay them any other salary or remunerations than such as is paid, in like cases, by Mexican citizens; and absolute freedom shall be allowed, in all cases, to the buyer and seller, to bargain and fix the price of any goods, imported into, or exported from, Mexico, as they shall see good, observing the laws and established customs of the country. The same privileges shall be employed in the dominions of His Britannic Majesty, by the citizens of Mexico, under the same conditions.

The citizens and subjects of the contracting parties, in the Territories of each other, shall receive and enjoy full and perfect protection for their persons and property, and shall have free and open access to the courts of justice in the said countries, respectively, *for the prosecution and defense of their just rights;* and they shall be at liberty to employ, in all cases, the advocates, attorneys, or agents of whatever description, whom they may think proper; *and they shall enjoy, in this respect, the same rights and privileges therein as native citizens.*

Art. 9. In whatever relates to the succesion to personal estates, by will or otherwise, and the disposal of personal property of every sort and denomination, by sale, donation, exchange, or testament or in any other manner whatsoever, *as also the administration of justice, the subjects and citizens of the two contracting parties shall enjoy, in their respective dominions and Territories, the same privileges, liberties, and rights, as native subjects;* and shall not be charged, in any of these respects, with any higher imposts or duties than those which are paid, or may be paid, by the native subjects or citizens of the power in whose dominions or Territories they may be resident.

Art. 10. In all that relates to the police of the ports, the lading and unlading of ships; the subjects of His Britannic Majesty, and the citizens of Mexico respectively, shall be subject to the local laws and regulations of the dominions and Territories in which they may reside.—They shall be exempted from all compulsory military service, whether by sea or land. No forced loans shall be levied upon them; nor shall their property be subject to any other charges, requisitions, or taxes, than such as are paid by the native subjects or citizens of the contracting parties in their respective dominions.

Art. 11. It shall be free for each of the two contracting parties to appoint Consuls for the protection of trade, to reside in the dominions and Territories of the other party, but before any Consul shall act as such, he shall in the usual

form, be approved and admitted by the government to which he is sent; and either of the contracting parties may except from the residence of Consuls such particular places, as either of them may judge fit to be excepted.—The Mexican Diplomatic Agents and Consuls shall enjoy, in the dominions of His Britannic Majesty whatever privileges, exceptions, and immunities, are or shall be granted to Agents of the same rank belonging to the most, favored nation; and, in like manner, the diplomatic Agents and Consuls of His Britannic Majesty in the Mexican Territories, shall enjoy, according to the strictest reciprocity, whatever privileges, exceptions, and immunities, are or may be granted to the Mexican Diplomatic Agents and Consuls in the dominions of His Britannic Majesty.

Art. 12. For the better security of commerce between the subjects of His Britannic Majesty and the citizens of the Mexican States, it is agreed that if, at any time, any interruption of friendly intercourse, or any rupture, should unfortunately take place between the two contracting parties, the merchants residing upon the coasts shall be allowed six months, and those of the interior a whole year, to wind up their accounts, and dispose of their property: and a safe conduct shall be given them to embark at the port which they shall themselves select. All those who are established in the respective dominions and Territories of the two contracting parties, in the exercise of any trade or special employment, shall have the privilege of remaining and continuing such trade and employment therein, without any manner of interruption, in full enjoyment of their liberty and property, as long as they behave peaceably, and commit no offence against the laws: and their goods and effects, of whatever description they may be, shall not be liable to seizure or sequestration, or to any other charges or demands than those which may be made upon the like effects or property belonging to the native subjects or citizens of the respective dominions or Territories in which such subjects or citizens may reside. In the same case, debts between individuals, public funds, and the shares of companies, shall never be confiscated, sequestrated, or detained.

Art. 13. The subjects of His Britannic Majesty, residing in the Mexican Territories, shall enjoy, in their houses, persons, and properties, the protection of the government, and continuing in possession of what they now enjoy, they shall not be disturbed, molested, or annoyed, in any manner, on account of their religion, provided they respect that of the nation in which they reside, as well as the constitution, laws and customs of the country. They shall continue to enjoy to the full, the privilege already granted to them of burying, in the places already assigned for that purpose, such subjects of His Britannic Majesty as may die within the Mexican Territories; nor shall the funerals and sepulchres of the dead be disturbed, in any way, or upon any account. The citizens of Mexico shall enjoy, in all the dominions of His Britannic Majesty, the same protection, and shall be allowed the free exercise of their religion, in public or private, either within their own houses, or in the chapels and places of worship set apart for that purpose.

Art. 14. The subjects of His Britannic Majesty shall on no account or pre-

text whatsoever be disturbed or molested in the peaceable possession and exercise of whatever rights, privileges, and immunities they have at any time enjoyed within the limits described and laid down in a convention, signed between His said Majesty and the King of Spain, on the 14th of July, 1786; whether such rights, privileges, and immunities shall be derived from the stipulations of the said convention, or from any other concession which may at any time have been made by the King of Spain, or his predecessors, to British subjects and settlers residing and following their lawful occupations within the limits aforesaid: the two contracting parties reserving, however, for some more fitting opportunity, the further arrangements on this article.

Art. 15. The Government of Mexico engages to co-operate with His Britannic Majesty for the total abolition of the slave trade, and to prohibit all persons inhabiting within the Territories of Mexico, in the most effectual manner, from taking any share in such trade.

Art. 16. The two contracting parties reserve to themselves the right of treating and agreeing hereafter, from time to time, upon such other articles as may appear to them to contribute still further to the improvement of the mutual intercourse, and the advancement of the general interests of their respective subjects and citizens: and such articles as may be so agreed upon, shall, when duly ratified, be regarded as forming a part of the present treaty, aud shall have the same force as those now contained in it.

Art. 17. The present treaty shall be ratified, and the ratifications shall be exchanged at London, within the space of six months, or sooner if possible.

In witness whereof, the respective Plenipotentiaries have signed the same, and have affixed thereto their respective seals.

Done at London, the 26th day of December, in the year of our Lord, 1826.—*William Huskisson.—James J. Morier.—Sebastian Camacho.*

ADDITIONAL ARTICLES.

Article 1. Whereas, in the present state of Mexican shipping, it would not be possible for Mexico to receive the full advantage of the reciprocity established by the articles 5, 6, 7, of the treaty signed this day, if that part of the 7th article which stipulates that, in order to be considered as a Mexican ship, a ship shall actually have been built in Mexico, should be strictly and literally observed, and immediately brought into operation; it is agreed that, for the space of ten years, to be reckoned from the date of the exchange of the ratifications of this treaty, any ships wheresoever built, being bona fide the property of and wholly owned by one or more citizens of Mexico, and whereof the master and three-fourths of the mariners at least, are also natural born citizens of Mexico, or persons domiciliated in Mexico, by act of the Government, as lawful subjects of Mexico, to be certified according to the laws of that country shall be considered as Mexican ships; His Majesty, the King of the United Kingdom of Great Britain and Ireland, reserving to himself the right, at the end of the said

term of ten years, to claim the principle of reciprocal restriction, stipulated for in the article 7 above referred to, if the interests of British navigation shall be found to be prejudiced by the present exception of that reciprocity, in favor of Mexican shipping.

Art. 2. It is further agreed that, for the like term of ten years, the stipulations contained in articles 5 and 6, of the present treaty shall be suspended; and in lieu thereof, it is hereby agreed that, until the expiration of the said term of ten years, British ships, entering into the ports of Mexico, from the United Kingdom of Great Britain and Ireland, or any other of His Britannic Majesty's dominions, and all articles, the growth, produce, or manufacture of the United Kingdom, or of any of the said dominions, imported in such ships, shall pay no other or higher duties than are or may hereafter be payable, in the said ports, by the ships, and the like goods, the growth, produce, or manufacture of the most favored nation; and reciprocally it is agreed that Mexican ships entering into the ports of the United Kingdom of Great Britain and Ireland, or any other of His Britannic Majesty's dominions from any port of the States of Mexico, and all articles, the growth, produce, or manufacture of the said States, imported in such ships, shall pay no other or higher duties than are or may hereafter be payable in the said ports, by the ships, and the like goods, the growth, produce, or manufacture of the most favored nation; and that no higher duties shall be paid, or bounties, or drawbacks allowed, on the exportation of any article, the growth, produce, or manufacture of the dominions of either country, in the ships of the other, than upon the exportation of the like articles in the ships of any other foreign country.

It being understood that, at the end of the said term of ten years, the stipulations of the said 5th and 6th articles shall, from thenceforward, be in full force between the two countries.

The present additional articles shall have the same force and validity, as if they were inserted, word for word, in the treaty signed this day. They shall be ratified, and the ratifications shall be exchanged at the same time.

In witness whereof the respective Plenipotentiaries have signed the same, and have affixed thereto their respective seals.

Done at London, the 26th day of December, in the year of our Lord, 1826.— *William Huskisson.—James J. Morier.— Sebastian Comacho.*

That the said Treaty and its two additional articles having been seen and examined, and report having been made thereof to the General Congress, in conformity to that which is ordained in the 14th paragraph of the 110th article of the Federal Constitution, said Congress was pleased to issue the following decree:

"The Treaties of the 26th December 1826, concluded between His Britannic Majesty, and the President of the United Mexican States, are approved in all and every one of their articles.—***Manuel Crescencio Rejon***, President of the Chamber of Deputies.—***Simon de la Garza***, President of the Senate.—***Vicente Guido de Guido***, Deputy Secretary.—***José Antonio Quintero***, Senator Secretary."

And that in view of this decree I have deemed fit to issue the following, on the 3rd day of April of the present year:

"I accept, ratify and confirm the said Treaty with its two additional articles, and I promise in the name of the Republic to comply with and observe the same and to make the same be complied with and observed."

Wherefore, and the said Treaty with its two additional articles having been likewise approved, accepted, confirmed and ratified by His Majesty the King of the United Kingdom of Great Britain and Ireland, in his palace at Windsor Castle on the 14th day of July of the present year 1827, I order the same to be printed, published and circulated, and that due fulfilment be given thereunto. Given in the Fedoral Palace at Mexico tis 25th day of October 1827.—*Guadalupe Victoria.*—To Don Juan José Espinosa de los Monteros.

NUMBER 2.

Pakenham Convention, concluded on the 15th of October 1842.

Whereas, it is convenient that a definitive arrangement should be concluded for the payment of certain sums recognized by the Mexican Government in favor of various subjects of Her Britannic Majesty, which payment,-in some cases totally and in others partially—it has not been possible, up to the present, to effect from unforeseen circunstances; the Government of the Mexican Republic, well disposed to conform with the wishes of that of Great Britain, has agreed upon concluding with H. M's Minister Plenipotentiary a formal Conventio n with the object indicated: to which end, the undersigned Minister of Foreign affairs and of Finance, and the aforesaid Minister Plenipotentiary of Her Britannic Majesty, having met in formal conference, after previous invitation, in the Department of Foreign Affairs have agreed to the following conditions:

Article 1. Of the products of the import dues in the ports of Vera Cruz and Tampico, from the date of the present agreement there shall be separated Two per cent in the first named port and one per Cent in the second, which shall be applied to the payment of the sums recognized up to this date in favor of British subjects. The products of these assignments shall be delivered to the Agent who may be named by the parties interested, who shall distribute them in equal proportion according to the amount of the claims represented. In these assignments, the duties of which the Government may have totally disposed previously to the date of this agreement, are not included; it being understood that for the future, the part of the duties set apart by the present article shall not be disposed of for any other object.

Article 2. The amounts which up to this date have borne interest in virtue of pre existing agreements shall continue to bear the same, according to the rate

stipulated in each case; and those which may not have borne interest, shall now have a right thereto at the rate of Twelve per Cent per annum.

Art. 3rd. It is also agreed, that the unpaid interests due up to this date, shall be liquidated and added to the respective principal, and this new capital shall also enjoy the benefit of interest at 12 per cent until its payment.

Article 4th. To obviate any doubt or misunderstanding, as regards the class of claims that should enjoy the advantages of the present agreement, it is declared, that the same applies, only, to those claims that have been recognized by the Government of Mexico at the instance of the British Legation, amongst which are included those for sums which have been exacted at different times from the subjects of Her Majesty, in the form of forced loans.

Article 5th. It is solemnly declared on both parts, that the present agreement shall be considered of the same force and value as a Convention between the two Governments, and that the same shall be equally obligatory.

In Witness whereof, we the said Ministers have signed and set our respective seals hereunto:

Dated in Mexico this 15th day of October 1842.—L. S.—*J. M. de Bocanegra.*—L. S.—*I. Trigueros.*—L. S.—*R. Pakenham.*

NUMBER 8.

Supreme Order specifyng the class of claims comprehended in the Pakenham Convention of the 15th of October.

Department of Finance.—Section 1st.—Under date of the 14th January last. —His Excellency The Minister of Foreign Affairs, says to me as follows:

Your Excellency.—In reply to the note of the 2nd Inst. in which Your Excellency asks me for an account of the English claims recognized by the Supreme Government, the payment of which was regulated by the Agreement made on the 15th of October last with His Excellency the Minister Plenipotentiary of H. B. M., Ihave to inform Your Excellency: that the affairs to which said agreement are limited, are the following:

1st. Balance due to the United Mexican Mining C.° and other English subjects established in Guanajuato, in consequence of the losses they suffered in the year 1833, on the occupation of that city by General Don Mariano Arista.

2nd. Balance owing to Messrs Cotesworth. Smith & C.° for the pillage of their house in Oaxaca on the 29th of June 1886.—In the Department under Your Excellency's charge, exist the communications from this office, respecting the compensations granted to the parties interested in these two matters, and those relative to the premiums or interest conceded to them afterwards for delay in the payment. This Department has no particulars of what is still owing to them.

3rd. Balance due on account of a Loan made to the Government in 1839, known generally by the name of the English Loan. The payment of this affair, was, withont doubt, regulated by your Excellency's Department; in that under my charge there only exist the representations made by Her Majesty's Minister Plenipotentiary, and a copy of the arrangement entered into with the parties interested, remitted by the Secretary of Finance on the 8th of June 1839. In consequence the amount of the debt is unknown.

4th. Balance due to Messrs J. P. Penny & C.°, on account of the yarn seized from them in the Custom House of this city in the year 1838. In a communication from this Department to that of Your Excellency of the 21st November 1838, order was given for paying this house the sum of Six Thousand, nine hundred and Eighty three dollars, seven rials, in partial sums, as the circustances of the Exchequer might permit, charging this outlay to the account of secret expenses of this Department, which so far has no knowledge of the amounts that may have been paid to the parties interested.

5th. Balance due to the same house of Penny & C.° for copper supplied to the Mint of this city. The resolutions upon this affair must have emanated from the Department of Finance, as in my Department, there are no particulars relative to the matter.

6th. Compensation to Mr. Thomas Russell for the sums he lost in Zacatecas in the year 1835, on the occupation of that city by the troops of the Supreme Government.

On the 8th of November 1839, various documents were transmitted to Your Excellency's Department relative to this individual substantiating his claim to Four Thousand, Nine hundred and Thirty one dollars, six rials, which should be paid, the same as other claims of those who suffered on that occasion. There is no proof in this office of any payments having been made to Russell.

7th. Payment of the sums exacted from English subjects for forced loans.— The particulars of these claims are to be found in Your Excellency's Department,—as in mine there is nothing more than the representations made by H. B. M's Minister.

8th. In the Convention of the 15th of October, there is also comprehended, the order Icommunicated to Your Excellency on the 2nd. of December last, for the payment to Messrs Manning & Marshall, from the Secret Expenses fund, of the sum of Twenty Seven Thousand nine hundred and Sixty two dollars, two rials, as from the first named date, this matter was under consideration and was definitively resolved upon, on the said 2nd day of December last.—With these explanations and the presence of the corresponding documents, I believe that all difficulty will be removed for the termination of the affair which gave rise to Your Excellency's note, which I have the honor to reply to, renewing to Your Excellency the assurances of my esteem.

God and Liberty. Mexico February 27th 1842.—*Gorostiza.*—To the Ministers of the General Treasury.

NUMBER 4.

FIRST ENGLISH CONVENTION.

Liquidation of the Credits presented by Mr. Thomas Worrall as Agent of various English subjects, in virtue of the agreement made on the 15*th of Ociober* 1842.

COTESWORTH, COCHRANE & C.ª

Balance in their favor, according to the accompanying liquidation formed by the Treasury General on the 4th of August 1840.	$ 44,875 65
D.º- for interest accruing at 12 Cent on $ 34,831 3rials, from the 1st of august 1840 to the 15th of October 1842	9,229 82
	$ 54,105 47

SUNDRY CERTIFICATES AND CREDITS.

FIRST PACKET.	Amount.	Instalments.	Balance.	Interest.
Three certificates of 31st December 1839 & one of 10th January 1840, which bear 2 per cent per month from the 1st of November 1839.	80,000 00			
Paid on account the 8th of January 1840		5,600 00		250 13
D.º d.º 26th February . .		12,000 00		920 00
D.º d.º 16th March . . .		9,600 00		864 00
D.º d.º 24th d.º		4,000 00		381 33
D.º d.º 4th May		3,200 00		390 40
D.º d.º 12th d.º		4,000 00		509 33
D.º d.º 7th July		2,800 00		459 20
D.º d.º 7th August. . .		4,000 00		736 00
D.º d.º 18th September. .		3,200 00		676 26
D.º d.º 3rd October . . .		2,000 00		442 66
D.º d.º 5th December. .		1,600 00		420 26
D.º d.º 30th d.º		4,000 00		1,117 33
D.º d.º 3rd February 1841.		2,800 00		843 73
Carried over	80,000 00	58,800 00		8,010 65

SUNDRY CERTIFICATES AND CREDITS.

	Amount.	Instalments.	Balance.	Interest.
Brought foward . . .	80,000 00	58,800 00		8,010 63
Paid on account the 15th March 1841		4,000 00		1,317 34
D.° d.° 5th April. . . .		1,600 00		548 26
D.° d.° 8th June.		1,600 00		615 46
D.° d.° 3rd July.		4,000 00		1,605 33
D.° d.° 20th October 1841.		1,600 00		756 26
D.° d.° 25th November. . .		340 48		168 88
D.° d.° 15th January 1842.		2,400 00		1,270 40
D.° d.° 2nd March.		1,816 00		1,018 17
Balance up to the 15th of October 1842			3,843 52	2,728 89
Three certificates without interest of the 31st December 1839 and one of the 10th Jannuary 1840. .	10,678 77		10,678 77	
SECOND PACKET. One certificate of 31st December 1859 of the value of $ 30,000, with 2 per cent per month from the 1st November 1839, and another of $ 3,996,,98 of the same date, without interes . t.	33,996 98	28,558 68	5,438 30	6,764 86
THIRD PACKET. The same as the preceding.	33,996 98	28,558 68	5,438 30	6,764 86
FOURTH PACKET. The same as above	33,996 98	28,558 68	5,438 30	6,764 86
FIFTH PACKET. With instalments of the same dates, the third part	11,332 33	9,519 56	1,812 77	2,254 95
SIXTH PACKET. One certificate of $ 7,500, another of $ 26,550, which bear 2 per cent per month, another of $ 999 20, and another of $ 3,537 33 without interest	38,586 58	32,414 10	6,172 48	7,678 05
SEVENTH PACKET. One certificate of the value of $ 68,376 42 which bears interest, and another of $ 9,210 02 without interest.	77,486 44	65,091 54	12,394 90	15,418 42
EIGHTH PACKET. One certificate of $ 7,500, with interest, and another of $ 999 20 without interest.	8,499 24	7,139 67	1,359 57	1,691 21
	328,574 30	275,997 39	52,576 91	65,876 84

	Amount.	Instalments.	Balance.
PENNY FOR YARN.			
Order of the 4th of December 1839 for their payment	6,983 87		
Drawn on the 10th of April and 19th August 1840		5,300 00	1,683 87
PENNY FOR COPPER.			
Bond N.° 51 of the 10 per Cent 1st class.	4,911 09	2,665 21	2,246 88
D.° N.° 21 of the 10 per Cent 2nd class.	1,374 62		1,374 62
D.° N.° 14 of the 10 per Cent 3rd class.	6,285 72		6,285 72
	19,555 30	7,965 21	11,591 09
MR. THOMAS RUSSELL.			
According to information presented by the party interested to the Department of Finance, and by said Department to this office, for goods pillaged from him in Zacatecas	4,931 75		4,931 75

To sundry English subjects for Forced Loans.

Mr. James Kennedy	$	250 00
Messrs. Barron Forbes & Co		250 00
Mr. William Henderson		250 00
Messrs. Drusina & Martinez		500 00
Mr. George Whitehead, for Watson		500 00
Mr. Henry Blume		250 00
Messrs. Phillips & Carday.		500 00
Messrs. Watson Mac Iver		250 00
Messrs. Dayns & Co.		500 00
Messrs. Penny & Co.		250 00
Messrs. Dickson, Gordon & Co.		500 00
Messrs. Monteith Dunlop & Co.		500 00
Mr. John Wylie.		100 00
Mr. William Benfield.		100 00
Messrs. Holdsworth & Co		500 00
Messrs. Cross, Dick & Co.		1,000 00
Messrs. Mc. Calmont Geaves & Co		1,000 00
Messrs. Campbell Ryan & Co		500 00
Messrs. Manning & Marshall		1,000 00
Messrs. Blesky &. Co.		100 00
Messrs. Stanley J. Black & Co.		100 00
Messrs. Davies & Co.		1,024 18
Mr. Edward Champman		100 00
Carried forward.	$	10,024 18

Brought forward	$ 10,024	13
[illegible] amount	100	00
[illegible] section	100	00
	$ 10,224	13

SUMMARY.

To Messrs. Braseworth & Co.	for principal. . . .	$ 44,875	65
Do. do.	for interest	9,229	82
Sundry English subjects	for principal. . . .	52,576	91
Do. do.	for interest	65,376	84
Messrs. Penny & Co.	for yarn & copper. . . .	11,591	09
Mr. Thomas Russell	for pillage	4,931	75
Sundry English subjects	for forced loan	10,224	13
		$ 198,806	19
Ordered to be paid to Messrs. Manning & Marshall, by a Supreme Order of the 29th of March 1843, without expressing the cause of making this payment		$ 21,962	25
By the same order, there was applied to salaries of the Department of Foreign affairs.		6,000	00
		$ 226,768	44
Amount of a credit introduced afterwards		2,943	87
		$ 229,712	31

NUMBER 6.

CREDITS OF ENGLISH SUBJECTS INTRODUCED AFTER THE LIQUIDATION FORMED BY MR. THOMAS WORRALL ON THE 18TH OF MAY 1844.

1844.			
July 22.	Mr. Thomas Worrall, for the United Mexican Mining Co.	$ 17,679	71
" 23.	Don José María Landa, for Mr. Alexander Grant, paid in $15,000 in cash as an additional subsidy, ("refaccion") of the amount claimed by him for losses sustained in Vera Cruz, by the seizure of certain cotton goods. Interest at one per cent. per month was allowed on the whole amount	36,779	12
	Carried over.	$ 54,458	83

1845.	Brought forward	$ 54,458	83
September 29.	Mr. Percy W. Doyle for losses sustained by Mr. John Wade in Teapa	2,332	00
October 17.	Mr. Thomas Worrall, for a certificate. . .	10,214	15
—„— 21.	Do. for sundry English subjects . .	10,214	15
		$ 77,219	13

SUMMARY.

Amount of the first liquidation formed by Mr. Worrall	$ 229,712	31
Amount of the credits as appears by this note. .	77,219	13
Total amount of the first English Convention.	$ 306,931	44

NUMBER 6.

CONTRACT MADE BY THE GOVERNMENT WITH THE HOUSE OF MONTGOMERY, NICOD & Co.

Department of Finance.—1st. Section.—Don Juan Rondero, under this date, has made the Supreme Government the following proposition:

Proposition which the undersigned, in the name of various commercial houses of this city, makes to the Supreme Government relative to the loan mentioned in the Sovereign decree of the 17th October last, bettering that presented by him on the 23rd of said month.

$ 900,000 „ 00 shall be paid in cash to the Treasury General.

1.100,000 „ 00 hall be also delivered in certificates arising from *"pagos corrientes,"* whether emitted by said Treasury General or by any of the Departmental Treasuries.

$ 2.000,000 „ 00 In conformity with the said decree, this sum shall commence to be repaid by the 17 per Cent. of the proceeds of all the maritime Custom Houses, immediately that the debts for which they are now responsible, are satisfied; and from the present moment, until the whole amount of the present loan be paid, no assignment shall be made from the fund mentioned, for the payment of any other debt, whatever may be its origin; and if hereafter the same security should be given for any other loan, the payment thereof shall not take effect, until after the present loan shall be completely paid up, and for which the guarantees shall still subsist, that are now held by the debts assigned to the said fund.

The Nine hundred thousand dollars in cash, shall be delivered to the Treasury General in instalments of One Hundred Thousand dollars monthly commencing from the present month, if it should so suit the Supreme Government. For the delivery of the respective Certificates, the term of Six months shall be conceded, for the corresponding amounts, in due proportion to the cash instalments; so that this term will be progressive according to the dates of the delivery of the money. This loan shall bear interest at the rate of 6 per Cent. per annum, from the respective dates of one and the other of these instalments, until its respective redemption.

In the remote case, that any diminution should be attempted in the quota assigned by the law referred to, for the payment of the present loan, or that the remittance and delivery of the respective bills should be suspended, the parties interested shall immediately have the right to claim for the losses and damages that would undoubtedly be caused to them.

The corresponding Bonds shall be issued by the Treasury General on the same date the instalments are made; and to the due fulfiment of the conditions herein-named, the underigned binds himself in the most solemn manner, besides giving the necessary guarantees, to the satisfaction of the Treasury General, in case it should be required, for the delivery of the certificates.

Mexico. November 17th 1840.—*Juan Rondero.*"

And having communicated to His Excellency the President the present proposition, His Excellency has been pleased to admit the same, in accordance with the decree of the National Congress of the 17th Ult°., and directing that the following conditions shall be observed:

1st. The delivery of the Nine Hundred Thousand dollars shall be effected invariably in hard cash, in the proportion of one third part in copper money and two third parts in hard dollars, in order that compliance may be given to the provisions of the said law respecting the investment of the two third parts of the coin mentioned, in the purchase of vessels and expenses of the war in Texas; it being understood, that in the sum referred to of Nine Hundred Thousand dollars, no paper or credit, shall be admitted, of whatever class, origin or nature it may be; as if the party interested should hold any paper credits, they ought to form a part of the One Million one hundred thousand dollars, to be admitted of this kind, according to the preceding proposition.

2nd. The date for the first instalment of the Nine hundred thousand dollars in cash in the Treasury General, shall be the 20th of the present month, for the sum of One Hundred Thousand dollars, and the rest until the completion of the Nine Hundred Thousand, on the 20th of each subsequent month, for a similar sum of One Hundred Thousand dollars, without any interruption whatever; so that the payments shall terminate on the 20th of July of next year.

3rd. In order that the Treasury General may receive the One Million, one hundred thousand dollars in certificates of "pago corriente," which the party interested, should deliver according to the foregoing proposition, Your Excellen-

cies will proceed to address the requisite communications to the respective offices, so that they may recognize, examine and satisfy themselves of the legitimacy of the credits that belong to them, and, after practising these operations, emit the corresponding certificate or certificates, remitting the same to the Treasury with the object indicated, that is to say, that said Treasury may admit these documents with all the security necessary: with the understanding that immediately that the offices shall have recognized, examined and approved the credits, they shall make the necessary entries, with corresponding regularity, so that such credits may be totally annulled.

4th. Immediately that the Treasury General shall have received from the respective offices, the certificates referred to, said Treasury shall proceed to amortize them completely, provided they are ef those emitted posteriorly, in acordance with the regulations of the 3rd. article.

5th. If the credits presented by the party interested appertain to the Treasury itself, the same operations already expressed shall be effected, in all that may be conducive to proving the legitimacy of said documents, and to making the respective entries and amortizement of the certificates.

6th. The repartitions that may be made of the 17 per Cent., for the payment of this contract, shall be charged to account of the capitals, and when these are covered the liquidation and payment of the interest shall be made.

All of which I communicate to Your Excellencies by Supreme order, for your information and fulfilment.

God and Liberty. Mexico, November 17th 1840.—*Echeverria.*—To the Ministers of the Treasury General.

NUMBER 7.

SECOND ENGLISH CONVENTION.–LOAN OF $2,000,000 DECREED ON THE 17TH OF OCTOBER 1840, CONTRACTED WITH MESSRS. MONTGOMERY, NICOD & Co.

1840.			
December 22.	Don Juan Rondero paid into the Treasury General, in the name of Messrs Montgomery Nicod & Co., at 5 per Cent. per annum interest from the 1st of said December, and payable with the fund established of 17 per Cent., on account of Two Millions of the loan decreed on the 17th of October of the same year 1840	$	100,000 00
" 23.	Do. do. at the same interest, from the 21st Inst.	„	60,000 00
1841			
January 20	Do. do. from this date.	„	60,000 00
do 28	Do. do. the sum of:		
	$ 40,000 00 from the 20th December 1840.		
	„ 40,000 00 do 20th January 1841.		
	„ 40,000 00 do 20th February „		
	$ 120,000 00 Carried forward. . . .	$	220,000 00

1841.	$ 120,000	00	Brought forward . . .			$	220,000	00
January 28.	„ 40,000	00	from the	20th	March	„		
	„ 40,000	00	do	20th	April	„		
	„ 40,000	00	do	20th	May	„		
	„ 40,000	00	do	20th	June	„		
	„ 40,000	00	do	20th	July	„	„ 320,000	00
February 24.	Do. do. with the same interest, from date						„ 60,000	00
March 20.	Do. do.		do.		do.			
	$ 6,111	11	from the	5th	January last.			
	„ 6,111	11	from	do.	do.			
	„ 6,111	11	from the	20th	January last.			
	„ 6,111	11	from the	20th	February last.		„ 24,444	44
do 20.	Do. do., with the same interest from date. . .						„ 60,000	00
do 30.	Do. do., as follows:							
	$ 28,654	07	from the	7th	January.			
	„ 13,067	00	do	7th	do.			
	„ 34,864	47	do	21st	do.			
	„ 1,821	35	do	23rd	do.			
	„ 6,717	28	do	26th	do.			
	„ 26,256	00	do	25th	do.			
	„ 43,493	43	do	1st	February.			
	„ 520	84	do	6th	do.			
	„ 11,931	89	do	8th	do.			
	„ 2,000	00	do	11th	do.			
	„ 9,111	23	do	12th	do.			
	„ 3,418	25	do	17th	do.			
	„ 4,471	27	do	17th	do.			
	„ 11,628	32	do	17th	do.			
						„	197,955	50
March. 31.	Paid in on this date, by Don Juan Rondero in the name of Messrs Montgomery Nicod & Co. at 6 per Cent. per annum, interest.							
	$ 15,167	62	from the	1st	of May.			
	„ 15,786	79	do	11th	do.			
	„ 4,373	00	do	12th	do.			
	„ 57,744	25	do	20th	do.			
	„ 3,708	62	do	22th	do.			
	„ 2,671	42	do	24th	do.			
	„ 7,490	40	do	26th	do.			
						„	106,942	10
	Carried over.					$	989,342	04

		Brought forward					$ 989,342	04
do	„	Do. do., at 3 per Cent. per annum.						
		$ 8,000 00	from the	23rd	of	March.		
		„ 2,000 00	do	29th	do.			
							„ 10,000	00
April	27.	Do. do. at 6 per Cent. per annum.						
		$ 50,000 00	from the	20th	of	April.		
		„ 44,000 00	do	20th	„	May next.		
		„ 42,000 00	do	20th	„	June next.		
		„ 40,000 00	do	20th	„	July next.		
							„ 176,000	00
do	30.	Do. do., at 6 per Cent. per annum.						
		$ 68,504 50	from the	1st	of	April.		
		„ 31,448 38	do	3th	„	do.		
		„ 3,500 00	do	4th	„	do.		
		„ 21,753 00	do	10th	„	do.		
							„ 125,205	88
May	12.	Do. do., at 6 per Cent. per annum.						
		$ 3,150 82	from the	13th	April	last.		
		„ 7,477 71	do	15th	do.			
		„ 5,539 00	do	19th	do.			
		„ 80,000 00	do	21ts	do.			
		„ 11,851 33	do	22rd	do.			
		„ 642 54	do	26th	do.			
		„ 7,331 75	do	27th	do.			
		„ 798 34	do	29th	do.			
		„ 10,450 48	do	3rd	May.			
		„ 8,697 54	do	4th	do.			
		„ 7,553 40	do	7th	do.			
							„ 148,492	91
do	19.	Do. do., at the same interest from date. . .					„ 16,000	00
June	19.	Do. do., do. do. do					„ 18,000	00
July	5.	Do. do., do. from 1st July.					„ 16,000	00
do	20.	Paid in on this date by Don Juan Rondero, in the name of Messrs. Montgomery, Nicod & Co, at 6 per Cent. per annum interest from date					„ 4,000	00
August	5.	Do. do. at the same interest:						
		$ 1,000 00	from the	21st	of	Mach	last.	
		„ 1,921 50	do	1st	„	May	last.	
		„ 2,006 17	do	19th	„	do	do.	
		„ 8,669 21	do	21th	„	do	do.	
		$ 10,007 00	Carried over				$ 1.498,040	88

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	$ 10,007 00	Brought forward . . .			$ 1.498,040	83
	„ 1,375 00	do	1st	„ June do.		
	„ 1,506 00	do	15th	„ do do.		
	„ 22,229 62	do	17th	„ do do.		
	„ 4,064 00	do	18th	„ do do.		
	„ 55,860 40	do	21st	„ do do.		
	„ 42,534 35	do	1st	„ July do.		
	„ 284 90	do	6th	„ do do.		
	„ 2,000 00	do	15th	„ do do.		
	„ 1,101 39	do	16th	„ do do		
					„ 144,544	54
do 14.	Do. do. at the same interest from 1st July.				„ 5,286	10
October 14.	Do. do. at the same interest:					
	$ 52,094 91	from the	1st	of July.		
	„ 7,945 32	do	2nd	„ do.		
	„ 1,363 38	do	12th	„ do.		
	„ 5.606 62	do	13th	„ do.		
	„ 787 00	do	25th	„ do.		
	„ 49,980 67	do	3rd	„ Setember.		
	„ 16,185 80	do	25th	„ do.		
					„ 133,963	71
do 21.	Do. do. at the same interest.					
	$ 6,766 71	from the	23rd	of July.		
	„ 7,582 90	do	18th	of October.		
					„ 14,349	61
November 30.	Do. do at the same interest from 25th November				„ 548	50
December 11.	Do. do. at the same interest.					
	$ 302 04	from the	29th	of August.		
	„ 21,968 55	do	18th	„ October.		
	„ 6,573 47	do	20th	„ do.		
	„ 40,376 13	do	18th	„ November.		
	„ 14,431 88	do	2nd	„ December.		
	„ 12,149 43	do	3rd	„ do.		
					„ 95,801	50
do 20.	Do. do at the interest from 18th Inds . . .				„ 3,148	56
1842.						
January 29.	Do. do. at the same interest from date . . .				„ 104,321	65
	Sum total.				$ 2.000,000	00

NUMBER 8.

FRIENDLY ARRANGEMENT WITH MESSRS. MONTGOMERY, NICOD & CO. ON THE 21ST OF JANUARY 1843, AND ADDITIONAL ARTICLE OP THE 23RD OF FEBRUARY OF THE SAME YEAR.

Department of Finance.—Section 1st.—Your Excellency. In this moment, the following arrangement, by friendly agreement, has been concluded between this Department and Messrs. Montgomery, Nicod & Co. as contractors and Agents of the fund of the 17 per Cent:

Article 1st. The interest due up to the end of December 1842 shall be capitalized; and for the amount thereof Bonds shall be issued bearing interest from that date at One per Cent. per month.

Article 2nd. The Bonds issued for the sum of Two millions of dollars of the 17 per Cent. Fund, bearing half per Cent. per month interest, shall be called in and an equal amount of Bonds shall be given bearing interest at One per Cent. per month from the 1st of January 1843.

Article 3rd. Over and above the sum of Two millions, mentioned in the preceding article, there shall be advanced Six per Cent. as an additional subsidy ("refaccion") to the Government, which shall be delivered in cash in three equal instalments at 15, 30 and 45 days, and at the time of the delivery, Bonds shall be given to the parties for the same sums, which shall bear a monthly interest of One per Cent. from the date of delivery.

Article 4th. For the repayment of the whole amount specified in the preceding articles, there shall be assigned Eight per Cent. of the products of the maritime Custom Houses, from the 1st of January 1853, which shall come in bills drawn to the order of Messrs. Montgomery, Nicod & Co.

Article 5th. The instalments mentioned in Article 3 shall be counted from the day on which the competent orders are emitted for the remission of the bills from the Seaports.

Article 6. Those, who at the expiration of the time stipulated for the additional subsidy, should not have paid up, shall be excluded from the benefits of this arrangement, and their credits shall be paid from the fund indicated, after those of the present subsidy may have been satisfied.

Which, I have the honor to communicate to you for your information, in reply to yor note of 26th December last, availing myself of this opportunity to reiterate the assurance of my esteem.

God and Liberty. Mexico, January 21st 1843.—*Gorostiza.*—To His Excellency The Minister of Foreign Affairs &c.

NUMBER 9.

ADDITIONAL ARTICLE TO THE CONTRACT WITH THE HOUSE OF MONTGOMERY.

Department of Finance.—Section 1st.—Your Excy.—Some difficulties having presented themselves to the conclusion of the arrangement entered into with Messrs. Montgomery, Nicod & Co., as contractors and agents of the fund of the 17 per cent, this matter has been entirely regulated and terminated, by means of the following additional article agreed upon with these gentlemen:

Additional Article.—In compensation for the delay of two months in the delivery of the quota of Eight per cent, which shall commence to be paid from the 1st. of May next, Bonds for One Hundred and Twenty thousand dollars shall be admitted from other established funds, for which amount Bonds shall be given bearing One per cent, monthly interest, and which shall be paid by the Eight per cent assigned, immediately after the payment of the principal, cash subsidy and dividends due or falling due. Six months is given for the delivery of these Hundred and Twenty thousand dollars, but they may be sent in previously, either wholly or in part, if it should so suit the parties interested.

Which I have the honor to communicate to you in reply to your note of 31st January last, and as the continuation of that which I addressed you on the 21st of the same month.

God and Liberty. Mexico February 28th 1843.—*Gorostiza.*
To His Excy. The Minister of Foreign Affairs &c.

NUMBER 10.

FINAL PROPOSITION OF MONTGOMERY, NICOD & CO., FOR THE SETTLEMENT OF THE CLAIM AGAINST THE MEXICAN GOVERNMENT. APRIL 8TH 1844.

$	941,500 „	Amount of primitive Bonds.
		The interest upon the primitive Bonds up to the 31st December 1842, shall be capitalized, according to the arrangement made with Mr. Pakenham graduating the amount thereof in 10 per
	94,150 „	cent, a little more or less.
$	1.035,650 „	For this sum of One Million, thirty five thousand six hundred and fifty dollars, (a little more or less,) Bonds shall be issued under date of the 1st of January 1843, bearing interest at 12 per cent per annum, according to the agreement with Mr. Pakenham.
	56,490 „	New subsidy ("refaccion") in cash paid into the.
$	1.092,940 „	Carried forward.

$ 1.092,140 „ Bronght forward.

Treasury on the 27th of March 1843.—For this sum of Fifty six thousand, four hundred and ninety dollars, Bonds shall be issued under date of the 27th of March 1843, bearing interest at 12 per cent per annum, as agreed with M. Pakenham.

56,490 „ Subsidy ("refaccion") offered in paper, but which was not received in the Treasury in March 1843.—For this sum of Fifty six thousand four hundred and ninety dollars, which shall be delivered now, Bonds shall be issued under date of the 27th September 1843, (or six months after the subsidy in cash) bearing interest at 12 per cent per annum, as agreed with Mr. Pakenhan.

$ 1.148,630 „ For the payment of the said sum of one million, one hundred and forty eight thousand, six hundred and thirty dollars (a little more or less) and after the interest thereon, there shall be assigned from the 1st of April of the present year, the quota of Five per cent. of the products of the maritime Custom-Houses of the Republic, which shall come in bills to the order of Messrs. Montgomery, Nicod & Co., or the person they may name, and payable in this capital, to which effect the corresponding orders shall be remitted to the administrators of the Custom-Houses by the next mail.

The liquidation and issuing of the Bonds shall take place within the precise term fifteen days from this date.

Mexico April 8th 1844.

(This proposition was handed in by Mr. S. Miller with his note dated the 3rd of April 1844, and was accepted without variation on the 22nd of the same month, as appears by a communication of that date, addressed by the Minister of Finance to the Minister of Foreign Relations.)

NUMBER 11.

DECREE OF THE 11TH OF MAY 1843.—ORDERS THE SEPARATION OF 25 PER CENT OF THE IMPORT DUES IN ALL THE MARITIME CUSTOM-HOUSES, EXCEPT MATAMOROS, AND DEDICATES THIS FUND TO THE AMORTIZEMENT OF THE PUBLIC DEBT.

Department of Finance.—Section 1st.—His Excellency the President *ad interim* has been pleased to issue the following decree:

Antonio Lopez de Santa-Anna, Benemerito of the nation, General of Division, and President *ad interim* of the Mexican Republic, to the inhabitants thereof, Know Ye:

That the present situation of the Exchequer requiring the most equitable, regular and economical distribution of its funds, as well to provide for the indis-

pensable expenditure of public administration, (upon which depends the preservation of society, which could not exist without the just recompense due to its officers), as to satisfy and guarantee the debt which by the orders in circulation is incumbent upon the maritime and inland Custom-Houses, the tax-offices and other public departments,-in which are compromised the national interest and credit:-it being evident on the other hand that this last important object would never be attained without ensuring the first in a permanent and certain manner, as on the contrary the necessity would frequently occur of disposing of the funds assigned thereto: desiring to place the seal of inviolability on the sacred deposit of the assignments made for the payment of the debt mentioned, confiding the same to the intervention of the parties interested therein, and severely prohibiting the agents of the Government from touching the same: wishing, in conclusion, to establish a just equality amongst the creditors, as much as regards the rate of interest as the order of payment, by which the large sums comprised in the debt, which are now out of circulation, will be put into movement: in virtue of the power conceded to me by the 7th of the bases adopted in Tacubaya and sanctioned by the nation. I have deemed fit to decree as follows.

Article 1st. Fron the publication of the present decree, a Fund shall be formed from the Twenty five per cent. of the whole of the import duties in all the Maritime Custom-Houses, except Matamoros, which Fund shall be solely and exclusively dedicated to the payment of interest and redemption of the capitals at present bearing upon the public offices, in which all payments assigned to them shall at once cease excepting only the expenses of administration.—The part destined to the redemption of the English debt, and that fixed by the Convention of the 15th October last, shall continue to be separated and distributed in the terms already stipulated.

Article 2nd. This Fund shall be inviolable, and from no motive or circumstance whatever, shall it be applied to any other object, under the irremissible penalty of loss of employ to any functionary who should contravene the present orders.

Article 3rd. The present Decree is considered to embrace the following liabilities.

First. - The Bonds of the various Funds of Eight, Ten, Twelve, Fifteen and Seventeen per cent.

Second.—Those of the Eight per cent lately issued.

Third.—The Balance that may be still due of the debt contracted by the Government with the late Tobacco Company, at the time of receiving that negotiation.

Fourth.—All the orders in circulation against the maritime and inland Custom-Houses, and Tax Offices as well as against the other revenues and funds of the Exchequer, without any exception, whatever might be its origin, either by direct or indirect payment or by way of compensation, the assignment made for the amortizement of copper money remaining without alteration of any kind.

Article 4th.—The General Treasury of the nation, shall, within the precise term of two months, adjust the debt mentioned, capitalising the interests that

may have been expressly stipulated, and which may be due up to the end of the present month, so that the whole amount thereof, without any distinction, may bear from the 1st day of June 6 per cent. interest per annum. These adjustments shall be passed to the Department of Finance for their proper examination, qualification and approval, after which time no credits of the classes named shall be admitted or reputed as amongst those recognized by the Public Exchequer.

Article 5th.—In order that those creditors who may not have contributed to the additional subsidy ("refaccion") of 6 per cent, dictated by the 2nd article of the Decree of the 26th December, may partake of the benefits offered by the present decree, they shall effect the same in three payments, to be made in cash to the Treasury General at twenty, forty and sixty days from the present date. Those who should not conform to the "*refaccion*," shall be paid after the whole of the creditors complying therewith shall have been satisfied, and the interest on their credits, when entitled thereto, shall be reduced to 6 per cent. per annum.

Article 6. The Treasury General shall fix a prudent term for the presentation of the documents justifying the credits mentioned in Article 3, and after immediately cancelling the same, shall issue other new documents in their place, to be denominated "*Bonds of the Debt against Public Offices*" divided in such fractional parts as may suit the persons interested and with all the necessary precautions, under the strict responsibility of the Treasurers, that the first named Bonds may not again be put in circulation, and to prevent the falsification of the second, after their being cancelled as ordered in Article 4.

Article 7. Within fifteen days from the clearance of the cargoes, the Maritime Custom Houses, shall remit to the Treasury the Twenty five per Cent mentioned, in bills against the persons owing the import duties, previously guaranteed, and drawn in favor of the Agent named by the parties interested in this Fund which shall be immediately delivered to the principal Agent, ("propietario apoderado") who shall recover said bills, and at the conclusion of the term of two months as designated in Article 11, shall commence to make the quarterly payments for interest, and successively and proportionately for the redemption of the capitals.

Article 8. The Bondholders of the debt referred to against *Public Offices*, shall name a Board of Directors to watch over the proper observance of this law, and to promote every thing that may be conducive to its strict fulfilment; and the Government binds itself to impart to said Board every protection.

Article 9. The Government shall not enter into any contract pledging the free part of the Customs, or the other revenues of the Exchequer; and in the extreme case of doing so, shall communicate the same to the Board of Directors of this Fund, and to all those who it is believed may make them proposals, so that preference may be given to such as may be most advantageons to the public interests.

Article 10. The nett products of all the revenues shall be delivered to the General and Departmental Treasuries, in order that the proper distribution may be made thereof in exact conformity with the laws.

Wherefore I order the present to be printed, published and circulated, and that due fulfilment be given hereunto.

National Palace at Tacubaya, this 11th of May 1843.—*Antonio Lopez de Santa-Anna.*—*Ignacio Trigueros*, & Minister of Finance."—

And I. communicate the same to your for you information and the corresponding purposes.

God & Liberty. Mexico, May 11th 1848.—*Trigueros.*

NUMBER 12.

PUBLIC INSTRUMENT BY WHICH THE PARTNERS IN THE TOBACCO COMPANY DELIVERED OVER THIS NEGOTIATION TO THE GOVERNMENT.

In the City of Mexico, on this Thirteenth day of January Eighteen Hundred and forty two. before me the undersigned Public Notary and Witnesses, appeared the General of Brigade Don José Govantes and the Licentiate Don Ignacio Alas. Ministers of the Treasury General of the Nation, and the Señores Don Felipe Neri del Barrio, Rubio (Brother), Don Joaquin María Errazu, Don Manuel Escandon, Don Benito Maqua and Muriel Brothers, all of this vicinity and whom I declare I know, *and they said:* That the Supreme Government being convinced of the necessity of the Tobacco revenue returning to the Exchequer, by rescinding the contract made betwen the present Company and the Bank, for the reasons stated in the decree of the 12th of November last, and the said Supreme Government having decreed that the corresponding Instrument should be drawn up, they now proceed to execute the same in the following terms:—

First. On the 31st day of December, the contract entered into for the rent of the Tobacco revenue, between the National Bank of Redemption and the Company formed in this capital, of the afore said Don Felipe Neri del Barrio, Rubio (Brother) Don Joaquin María Errazu, Don Manuel Escandon, Don Benito Maqua and Muriel Brothers, and which was ratified by the Supreme Government on the first of February One Thousand Eight Hundred and Thirty nine, shall cease to exist. In consequence whereof, from the first day of January One Thousand Eight Hundred and Forty two, the Tobacco Revenue is for account of the Nation, and shall be directed by its officers.

Second. The Treasury Department will proceed at once to arrange the accounts which remained unsettled between the Company and the Bank, which shall be adjusted, in conformity with the contract. At the same time, accounts shall be immediately made up of what is owing to the Company, for the sums which have been taken from the different Administrations of said Tobacco Company, in the various Departments, for subsidies to the troops and for whatever the Government may be owing to the said Company from any other cause.

Third. The Balance spoken of in the 8th Article of the decree of the 12th of November last and which may appear in favor of the Company, shall be paid

as set forth in said Article, by monthly instalments of Thirty five thousand dollars, which shall be taken from the products of this revenue in the Administrations of the Departments of Jalisco and Zacatecas.—

Fourth. The Government receives all stock-on-hand and all that the Company now possesses, that is necessary for carrying on the purposes of manufacture. The prices of the National tobacco shall be those designated in the 16th Article of the contract between the Bank and the Company; that is to say, Three rials per pound for leaf tobacco, *and the manufactured tobacco at the selling prices with a deduction of Twenty five per Cent.* All other Stock shall be qualified and valued by appraisers, one to be named by each party, and these two appraisers before commencing their valuation shall name a third person in case of dispute. In this valuation, the stock of paper is not included, as this is to be received as may be agreed upon between the Supreme Government and the Company, provided it be of the kind mentioned in the 16th Article of the contract. The Foreign and Campeachy manufactured tobacco, shall be received wherever it may be found, according to its class and condition, as may also be agreed upon between the Company and the Supreme Government.

Fifth. The mode of carrying into effect the receiving of the whole Stock shall be regulated apart, according to the orders that the Supreme Government may deem fit to dictate.

Sixth. The net value of the stock of tobacco and other effects shall be paid from the fund dedicated to this object by the Decree of the 12th of November, and also from the duties recoverable from the exportation of money, at San Blas which were likewise assigned to the same on the 23rd of said month.

Seventh. The funds, products and duties expressed in the aforesaid decree and agreement are especially hypothecated to the payment of the amount that may result in favor of the Company: therefore the Nation binds itself not to dispose of the same, until the debt to which they are assigned by this Contract is covered, without prejudice to the rights appertaining to the said Company against the Tobacco revenue by reason of the present sale.

Eighth. If any orders should have been drawn against the funds assigned to this payment, the Company shall not commence to receive such funds until said orders are complied with.

Ninth. Neither now nor hereafter, can the Company claim an *indemnity of any kind on account of the relinquishment of the revenue*,nor allege for this purpose that which is stipulated in the 20th Article of the Contract made on the 18th of January 1839, as the Company renounces expressly and formally whatever right the said Article might give them to ask for indemnity.

Tenth. The Company binds itself to continue paying to the Tobacco planters in the districts ("cantones") of the Department of Vera Cruz, the value of the tobacco crop received in the present year, with respect to which crop the Government is free from all responsibility with said planters. With regard to the crops of the following years, the Government will arrange with the planters and also with the Contractor for Chiapas, taking upon itself all the rights and all the

obligations to which the Company was bound by the contract made with the plantation districts of Vera Cruz of the 26th of June 1839, afterwards explained on the 14th of August 1840, and by the contract of the 16th of January 1841 with the Contractor for Chiapas, the said Company being relieved from this moment of all responsibility in these respects.

Eleventh. It is also the obligation of the Company to cover or satisfy whatever other liabilities they may at present be under on account of the Tobacco business, and the Government shall not be required to take part in any thing respecting such responsibilities, as said Government receives the negotiation absolutely free of all incumbrances.

Twelfth. The utensils, household property, furniture, effects, and materials for which the Company is liable, by the general and particular Contracts they took upon themselves shall be returned in the terms specified, and the contract which is to be rescinded shall remain in vigor as far as appertains to the obligations of the Company, until the devolution of the utensils, household property &c., and the conclusion of the pending adjustment and the liabilities expressed by the 4th Article of the contract of 1839.

Thirteenth. The Company are at full liberty to endorse, transfer, and give in pledge the Bonds which according to the present Instrument are to be issued to them, and the Supreme Government shall recognize in the person or persons to whose possession they may pass, the same rights and actions as those of the Company, as if the contract or Instrument had been made with them, and the said person or persons, from the sole fact of the transfer or cession, "and without the necessity of any other requisite, shall be understood as fully representing the rights of the Company." Under which conditions the present agreement is entered into, and all the parties bind themselves to keep the same well and faithfully, now and at all times, according to its literal tenor.

And these bases having been agreed upon in the month of December last, their tenor must be held good in this sense, and in conformity with the Supreme Decree referred to and the order for the execution of the present Instrument, which documents I have before me and are as follows.*

NUMBER 18.

Sentence of the Supreme Court of Justice in the affair of Messrs. Martinez del Rio, Brothers.

Mexico October 28th 1846. In view of the petitions of Messrs Bengough and Martinez del Rio, as owners of the greater part of the Bonds with which the Government of the Republic paid the former partners of the Tobacco Company the

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* The documents referred to in this Instrument are not copied here as their publication is unnecessary.

amount of the Stock they delivered upon giving up the rent of that revenue, asking for the fulfilment of the obligation contracted by the Supreme Government with said Company: in view of the communications of said Government in the notes of the 17th of July last and 21st. Inst: and in view of the petition of the "Fiscal" of this Supreme Court of Justice in his answer of the 9th of September last, with all which appears in the other proceedings. It is hereby declared: that considering: First. That with the acquiescence of the Supreme Government, explicitly manifested in the preceding representation, which accompanies the proceedings now returned, there is no cause for the exercise of the jurisdiction conceded to this Supreme Court by the 137th Article of the Fedcral Constitution, on account of the dispute which had arisen between the Bondholders and the previous Executive Administration, having ceased to exist.—Second. That the present Government, in consequence of the revolution of the Citadel ("plan de la Ciudadela") re-establishing the Federal system, the peculiar position of the Republic and the necessity of procuring resources for the war, is not bound to the suspension of payments and arrangement of the debt decreed by the Government that has just fallen;—Third. That the "Fiscal" to whom it corresponds to sustain the rights of the public treasury, confesses and recognizes the justice of the claim made by the aforesaid Bondholders:—Fourth. That the Government solemnly protests in the said representation, that it will not permit that after the State revenues having been once hypothecated to one creditor, that he shall be despoiled of the same in favor of any other creditor;—Fifth–That the suspension of payments does not, nor cannot, amount to the loss of rights acquired by solemn and lawful contracts, by which the Government confesses that in spite of having decreed such suspension, the debt alluded to was very soon excepted therefrom; and lastly, that in the critical situation in which the Republic is now placed, the owners of the Bonds cannot avoid acceding to a just, moderate, and prudent arrangement with respect to the sums that have failed to be delivered to them.—This Court declares itself in conformity with the petition of the "Fiscal:"

First.—That the guarantee which the Owners of Bonds hold upon the Tobacco revenue, ought to be continued to them.

Secondly—That the obligation of paying them Thirty five thousand dollars per month, from the products of the said revenue for the redemption of the existing Bonds, still subsists: which payment should be effected after taking out the expenses of administration and making the purchases of the effects necessary for the business: but in preference to any other compromise that may have been incurred lately or that may still be incurred by the said revenue.

Thirdly.—That for the payment of the sums that have not been delivered, *a prudent arrangement ought to be made, in consideration of the critical circumstances in which the Republic finds itself*, in order that the latter may not prejudice itself by the disbursement of a considerable sum that might be required for other preferable necessities of the Supreme Government. Fourthly and lastly: *That the Bondholders ought to be subject to the laws that have regu-*

lated the funds relating to the payment of the public debt, in the part they had in the products of the Maritime Custom-Houses. And having made known this decision to the "Fiscal" and to the parties in due form, it is ordered that a copy thereof be remitted to the Supreme Government, and that the proceedings be deposited in the archives. Thus it was sentenced and signed by the President and Ministers composing the third "sala" of this the Supreme Court of Justice. —*Navarrete.—G. Figueroa.—Rivera.—José Maria de Garayalde* Secretary.

NUMBER 14.

ARRANGEMENT MADE BY THE DEPARTMENT OF FINANCE, FOR THE PAYMENT OF THE ARREARS DUE TO THE BONDHOLDERS OF THE EXTINCT TOBACCO COMPANY.

Department of Finance.—4th Section.—In consequence of the sentence given by the third "*sala*" of the Supreme Court of Justice in the proceedings taken in that court by the Holders of the greater part of the Bonds given to the late Tobacco Company in payment of the stock delivered by them on relinquishing that Revenue, and of which sentence your Excy. was pleased to transmit me a copy on the 31st of October last, the Supreme Government has agreed with the *parties interested, that they shall receive the amount that is owing to them, according to the 3rd article of the sentence, in seven years, commencing to be counted three months after the termination of the war with the United States of North America*, the instalments to be made in equal parts, both annually and monthly; the said Supreme Government being in conformity with the rest of the sentence.

I have the honor to communicate the same to Your Excy. for the information of the Supreme Court.

God and Liberty. Mexico, November 11th 1846.—*Haro & Tamariz.*—To the Minister of the Supreme Court of Justice.

NUMBER 15.

LIST OF THE PERSONS IN WHOSE FAVOR THE BONDS PROCEEDING FROM THE 26 PER CENT FUND WERE ORIGINALLY ISSUED, AND WHICH WERE PRESENTED BY MESSRS. MARTINEZ DEL RIO, BROTHERS, TO BE EXCHANGED FOR NEW BONDS OF THE ENGLISH CONVENTION OF THE 4TH OF DECEMBER 1851.

Don Manuel Marañon.	9	Bonds	amounting to	$ 25,000
„ Teodoro Ducoing.	4	d°	d°	27,000
Messrs. Flores Brothers.	32	d°	d°	240,000
Carried over				$ 292,000

	Brought forward			$ 292,000
Don Donato Manterola..	2	Bonds amounting to		2,000
„ Gregorio Mier y Teran.	4	d°	d°	31,000
„ Francisco Iturbe.	2	d°	d°	40,000
„ Benito Maqua	9	d°	d°	85,000
„ Ignacio Loperena	2	d°	d°	40,000
„ Antonio Garay.	1	d°	d°	20,000
„ José María Landa.	2	d°	d°	40,000
„ Juan Antonio Béistegui.	9	d°	d°	67,000
„ Cayetano Rubio.	16	d°	d°	54,000
Messrs. Montgomery y Nicod	1	d°	d°	5,000
Don José Marzan	1	d°	d°	5,000
„ F. Mora	4	d°	d°	4,000
„ M. Arroyo	1	d°	d°	1,000
Messrs. Garruste & Co.	1	d°	d°	1,000
Administrator of the "Fondo de Minería".	1	d°	d°	1,000
Don Y. Romero	17	d°	d°	17,000
„ José María Galvez	2	d°	d°	2,000
„ José María Frías.	5	d°	d°	5,000
„ Santiago Serment.	1	d°	d°	1,000
„ Miguel Mendoza Cortina	2	d°	d°	2,000
Mr. Shute	2	d°	d°	2,000
				$ 717,000

NUMBER 16.

Doyle Convention of the 4th of December 1851.

The Government of the Mexican Republic having made known the impossibility in which it finds itself to comply with certain conventions and arrangements now existing between the Mexican Government and various British Ssubjects, made under the guarantee of H. B. M's. Legation, because the penurious state of the Federal Exchequer has obliged said Government to suspend the payment of the quotas to which it was bound by such conventions and arrangements; after long and repeated conferences, in which were discussed the state of the revenues of the Republic, the numerous liabilities to which these are subject, and the common convenience of establishing an arrangement upon practicable conditions, and not upon those of difficult or uncertain fulfilment, which, besides the injury they would cause to the creditors, might compromise the harmony that now exists between both countries; Mexico wishing to do justice to the demands of her credi-

tors as far as her resources and the obligation and right of self preservation will permit her to do so, and the Creditors agreeing to make a sacrifice in their claims, upon the bases of as equitable an adjustment as the pecuniary situation of the Government may allow, the undersigned Minister of Foreign Affairs of the United Mexican States, authorized by the decree of the 17th of October of the present year and Her Britannic Majesty's Chargé d'Affaires, having met in diplomatic conference, counting upon the guarantee and certainty that the present convention will be strictly complied with, have agreed upon the following articles:

Article 1st. The claimants interested in the existing conventions and arrangements, bearing the name of Martinez del Rio, Brothers, of Montgomery, Nicod & Co. represented by the house of Jecker & Co. and the Pakenham Convention, signed on the 15th of October 1842, shall present themselves at the General Treasury for the adjustment of their credits in conformity with this Convention, and the said office shall effect the same in the peremptory term of thirty days from the date hereof.

Article 2nd. The Mexican Government binds itself to pay annually Five per cent. for the redemption of this consolidated Fund, and Three per cent per annum for interest, calculated according to the progressive decrease occasioned by the redemption.

Article 3rd. The payment of the annual sums destined to the redemption and interest of the credits comprised in the present Convention shall be made at the end of every half-year to the agent who may be named for this purpose by the Creditors. In order that the stipulations contained in the preceding article may be made effective, the Mexican Government obliges itself to assign a certain percentage of the products of the import duties that may be collected in the ports of the Republic, sufficient to cover the Five per cent of the redemption and the Three per cent of interest dedicated to the credits comprised in the present Convention. In order that the payment of this Five and Three per cent. shall not at any time be deferred or suspended, the Mexican Government compromises itself to pass an order to the Administrators of the said revenue, dictating the quota of said duties, which they should remit in separate bills to the Treasury General in favor of said Agent, which bills shall be delivered to him as soon as received by the aforesaid Treasury.

If at the end of the year, the interest and the Five per cent redemption should not have been covered, the General Treasury. without any further orders, shall pay the deficit from the first bills that may be received from the Maritime Custom Houses; and the Agent on his part, should he have received a greater sum than the said annual interest and redemption amount to, shall return the surplus to the said Treasury.

Article 4th. The Minister of Foreign Affairs of the Republic, shall pass to H. B. M's Chargé d'Affaires, a copy of the order which the Minister of Finance communicates to the administrators of the Custom Houses in compliance with the foregoing article, which shall be considered as herein inserted and form part of the present Convention.

Article 5th. The Mexican Government desiring to give unequivocal proofs of the justice and equity with which it proposes to proceed in this arrangement, binds itself to better the condition of the creditors, by increasing,–after the fifth year from this date,–the amount assigned for interest of the capital and redemption. Consequently the Government binds itself to pay to them at the conclusion of the fifth year, Four per Cent per annum for interest and six per cent for redemption, so that this increase may commence from the sixth year.

Article 6th. As the Mexican Congress is occupied in forming a law for the payment of the interior debt, the persons comprised in the present Convention, are at liberty, each one of them, to transfer their credits to the Fund which, in virtue of such law, may be created, by making their resolution know to the Minister of Foreign Affairs, who will communicate the same to H. B. M's Legation.

Article 7th. It is expressly stipulated and agreed, that in case of any of the obligations contracted by the present Convention, being broken, suspended, or deferred by the Mexican Exchequer, the same shall by this fact be annulled, and the creditors shall be reinstated in the enjoyment of the rights acquired by the agreements and conventions now existing.

In witness whereof, the aforesaid Minister of Foreign Affairs and H. B. M's Chargé d'Affaires have hereunto set their seals and affixed their signatures this 4th of December 1851.—*Percy W. Doyle.*—*José F. Ramirez.*

Secretariat of State and Department of Finance.—Section 2nd.—N.° 37.—

For the due fulfilment of the Conventions made on the 4th and 6th of December last with H. B. M's Chargé d'Affaires and His Excellency the Envoy Extraordinary of Her Catholic Majesty, respecting the gradual redemption, and payment of interest at the rate of three per Cent per annum on the credits recognized by the Government in favor of various English subjects, and of the person who holds against the Exchequer the missions of the Phillipine Islands, represented by the Reverend José Moran and belonging at present to Don Cayetano Rubio, His Excellency the President has deemed fit to ordain that the Treasury General shall give orders to the Custom Houses, that from the import duties caused therein they shall set apart Twelve per Cent, which is the amount at present required for the aforesaid redemption and payment of interest, remitting this amount without delay of any kind to the Treasury General in bills payable at the customary terms of the tariff to the order of Messrs. Martinez del Rio, Brothers, who shall receive the same from said Treasury, so as to make the proper application thereof as the agents named for this purpose by the respective creditors, a proper account being kept in the said Treasury of the sums delivered on account of the credits mentioned, after the corresponding adjustment of their amount. As, from the situation in which the state of Yucatan at present finds itself, it is not possible at this moment to make the separation of the 12 per Cent referred to, in the Custom Houses of Campeachy and Sisal, for the decrease that would be suffered in the resources destined to the troops

engaged in the war against the Indians, His Excellency the President has ordained, that until such time as the Custom-houses may be enabled to make remittances of the said Twelve per cent, they shall only give a monthly statement to the Treasury of what that quota amounts to, in order that it may be paid by the Custom House of Vera Cruz from the part remaining free to the Government of the import duties. His Excellency the President desiring that all that is stipulated in the conventions specified shall be strictly complied with, as the decorum of the nations requires, has ordered that Your Excellencies shall encharge the administrators of the respective Maritime Custom-houses very particularly, the punctual observance of the preceding dispositions, without applying for any other object whatever, the sums belonging to the fund spoken of: in the understanding that His Excellency will regard with great displeasure any omission or carelessness he may observe in this respect, and will take in such case those steps that may be deemed necessary.

All of which by Supreme order I communicate to Your Excellencies for your information and the purposes indicated.

God and Liberty. Mexico, February 9th 1852.—*M. de Esparza.*—To the Ministers of the Treasury General.

NUMBER 17.

ADDITION TO THE CONVENTION OF THE 4TH OF DECEMBER 1851 DICTATING A FURTHER SEPARATION OF 3 PER CENT. AND DATED DECEMBER 9TH 1852.

Department of Foreign Affairs of the Mexican Republic.—In virtue of the Convention signed on the 4th day of December 1851 by His Excellency the Minister of Foreign Affairs of the Mexican Republic, and H. B. M's Chargé d'Affaires at said Republic, it was stipulated that Twelve per Cent of the import duties in the Maritime Custom-Houses should be separated to pay the three per Cent of interest and five per Cent redemption of the sums comprised in this Convention, "and that if at the end of the year the interest and the Five per Cent "redemption should not have been covered, the General Treasury, without any "further orders, shall pay the deficit from the first bills that may be received "from the Maritime Custom-Houses." But it having been ascertained that in consequence of the revolutionary movements which for some time back have occurred and which unfortunately still exist in various parts of the Republic, there was a considerable deficiency in the completion of the sum corresponding to be paid on the 4th of next December according to the said Convention, and with the object of manifesting the absolute good faith which the Mexican Government desires to show in the fulfilment of the Convention of the 4th of December last, and which upon the present occasion has been partially deferred on account of

the unforeseen circunstances now mentioned, a formal conference was called and held this day in the Department of Foreign Affairs, between the Minister of that Department, the Minister of Finance, and the Minister Plenipotentiary of H. B. M., when the following arrangement was agreed upon.

For the payment of the amount that in the proximate liquidation may appear owing to the English Convention for the three per Cent interest and the Five per Cent redemption, corresponding to the year ending on the 4th of December next, there shall be assigned Three per Cent more than the sum designated, of the import duties caused in the Maritime Custom-houses of Vera Cruz, Tampico, Acapulco, Manzanillo, Altata and Guaymas, and in those of San Blas and Mazatlan when they return to order. This increase of Three per Cent shall cease whenever the deficiency referred to, be covered.—(Signed), *Percy W. Doyle*. —(Signed), *Mariano Yañez.*

A true copy. Mexico, December 9th 1852.—*J. M. Arroyo.*

A true copy. Mexico, December 15th 1852.—*Javier de Raygadas.*

NUMBER 18.

COMMUNICATION FROM MESSRS MARTINEZ DEL RIO BROTHERS, ASKING THAT 6 PER CENT INTEREST SHALL BE ALLOWED THEM.

To His Excellency The Minister of Foreign Affairs &c. &c.—Referring ourselves to the conversation we held with Your Excellency in presence of H. B. M's Minister, we have the honor to state, that although in virtue of the 7th article of the Convention signed by His Excellency Don Fernando Ramirez on the 4th of December 1851, we have a right to demand that the interest on our debt be placed on the original footing of six and twelve per cent per annum; we simply solicit that in future the legal interest of 6 per cent per annum shall be allowed us. Such an arrangement does not require any increase of assignment, neither would it oblige the Supreme Government to make any kind of pecuniary sacrifice in the total amount: put into practice, its effect would be limited to a simple modification in the accounts; in such way that each year something more would be credited to the Government on account of interest and something less on account of redemption.

We also had the honor of soliciting from Your Excellency the formal compromise to pay that which was stipulated, if at any time the Government should have sufficient resources to fulfil that part of the Convention.

We have the honor to offer to Your Excellency the expression of our respect and sincere esteem.—(Signed), *Martinez del Rio Brothers.*

(This communication has no date in the original. That of the note made in the margin is the 26th of July 1858.)

NUMERO 19.

OTWAY CONVENTION OF THE 10TH OF AUGUST 1858. INCREASES THE INTEREST TO SIX PER CENT, AND PROMISES THE PAYMENT OF THE ARREARS WHEN THE EXCHEQUER MAY BE LESS EMBARRASSED.

The undersigned Minister of Foreign Affairs of the Mexican Republic, and Her Britannic Majesty's Minister Plenipotentiary having met, with the object of drawing up, in due form, the arrangements relative to the fulfilment of the Convention of the 4th of December 1851, respecting the payment of credits of English subjects against the National Exchequer, which, with the approbation of His Excellency the President *ad interim*, were agreed upon on the 31st of last month, as appears by the private note passed by the first named Minister to the second, on the same day; taking into consideration the precedents of this affair, the observations made thereupon in several conferences, the contents of the written communication of Messrs Martinez del Rio on the 23nd of the same month, as principals in, and agents of the said Convention, and all that Mr. Martinez del Rio expressed verbally in the last conference, regarding the detriment and losses they have suffered, occasioned by the delay and want of punctual fulfilment in the payment, the increased sum which for this reason is owing them, and the rights that by the said Convention appertain to them, especially those to which they were entitled by the 7th article, of which they might take advantage in consequence of the foreseen event having occurred: desiring not to carry matters to this extreme, but to conciliate, in as far as possible, the interests of the creditors with the straitened state of the Exchequer from the circunstances in which the nation now finds itself: and availing itself of the good feeling always shown by the aforesaid Creditors; the Government animated on its part by the most sincere desires of protecting, as far as in its power lies, the interests of British subjects, have agreed upon the following articles:

Article 1st. For the exact fulfilment, strict observance and inviolability of the Convention of the 4th of December 1851, respecting English credits, and to remedy in some manner the detriments suffered by those comprised therein from the failure in the puntual payment of the quotas assigned, every dividend that may be made from this date henceforward on account of interest, shall be at the rate of six per Cent per annum, instead of the Three per Cent formerly stipulated.

Article 2nd. The payments shall continue to be made in the terms expressed in said Convention, by setting apart with this object, in the Maritime Custom Houses and without any variation, the quota assigned of Sixteen per Cent. of the import duties, to be remitted in bills, as agreed upon, for their delivery to Messrs Martinez del Rio Brothers.

Article 3rd. The sums left unpaid to the parties interested, to which they have a just and indisputable right, shall be paid to them when the Government has sufficient means; which cannot be effected immediately on account of its urgent necessities and the scarcity of funds.

Article 4th. The Convention of the 4th of December 1851, already cited, and the measures dictated for the exact fulfilment thereof, remain in full force and vigour, without any other difference than that expressly stipulated in the present agreement regarding the increase of interest, and said Convention shall not be considered, by this fact, as innovated, altered, or of less value than before; because, what is now covenanted as has been said, is to confirm and ensure the inviolability and punctual observance thereof; it shall have, therefore, the same force as if it were inserted literally in the present document; the contents of its 7th article being equally applicable to the present arrangement.

In Witness whereof, the said Minister of Foreign Affairs of the Mexican Republic, and the Minister Plenipotentiary of Her Britannic Majesty have set their hands and affixed their seals to the present protocol in the city of Mexico this tenth day of August One Thousand Eight Hundred and fifty Eight. —*L. C. Otway.—J. M. de Castillo y Lanzas.*

NUMBER 20.

APPROBATION OF H. B. M's GOVERNMENT TO THE CONVENTION OF THE 10TH OF AUGUST 1858 BY WHICH THE ANNUAL INTEREST ON THE ENGLISH CREDITS WAS INCREASED TO 6 PER CENT.

British Legation in Mexico, November 5th 1858.—The undersigned Minister Plenipotentiary of H. B. M. has the honor to inform His Excellency, Señor Don J. M. de Castillo y Lanzas, that H. M's Government fully approves the arrangement, *due to the benevolence and assiduity of His Excellency and* to the *gracious acquiescence of His Excellency the President ad interim* of the Republic of Mexico, the undersigned considers himself very happy in doing so, for the more just compliance of the arrangement of the Convention concerning certain British claims, which was concluded by the predecessor of the undersigned, Mr. Percy W. Doyle, with the Government of Mexico in December 1851. The undersigned at placing this circumstance under the knowledge of His Excellency Señor Castillo, avails himself with pleasure of this opportunity to offer and express to His Excellency his most cordial thanks for the zealous cooperation manifested by His Excellency in the above mentioned affair. The undersigned, &c. (Signed).—*L. C. Otway.*—To His Excellency Señor Don J. M. de Castillo y Lanzas, &c. &c.

NUMBER 21.

Law of the 29th of May 1861, on the suspension of payments for one year.

Secretariat of State and Department of Finance and Public Credit.—Section 5th.—His Excellency the Constitutional President *ad interim* of the Republic has been pleased to address me the following decree:

"The Citizen Benito Juarez, Constitutional President *ad interim* of the United Mexican States to the inhabitants thereof, Know ye:

That the Sovereign Congress of the Nation has deemed fit to decree as follows:

Article 1st. The Executive Power is authorized to enforce the circulation of titles of national capitals levied upon household & landed property, sufficient to raise the million of dollars referred to by the decree of the 20th Inst. with a discount of as much as two per Cent per month.

Article 2nd. Payments to the creditors of the National Exchequer are suspended for one year, with the exception of the conducta of Laguna Seca and the diplomatic Conventions, during which time the Congress of the Union shall form the laws of public credit, suppresion of inland Custom-houses and "*alcabalas*," reform of the tariff, and establishment of direct taxation.

Article 3rd. The Executive Power shall institute measures regarding the suspension of the diplomatic Conventions, communicating the result of the same to Congress for its approval.

Article 4th. With the exceptions established by the 2nd article, the Executive shall not make any payments but those of administration.

Given in the Hall of Sessions of the Congress of the Union this 29th day of May 1861.—*José María Aguirre*, Deputy President.—*Guillermo Valle*, Deputy Secretary.—*L. Robles Gil*, Deputy Secretary.

Wherefore, Iorder the same to be printed, published & circulated, and that due fulfilment be given hereunto. Palace of the Federal Government at Mexico, May 29th 1861.—*Benito Juarez*.—To the Citizen, José Maria Castaños, Minister of Finance and Public Credit.

And I communicate the same to you for your information and the consequent purposes.

God, Liberty and Reform. Mexico, Mayo 30th 1861.—*Castaños*.

NUMBER 22.

LAW OF THE 17TH JULY 1861, ON THE SUSPENSION OF PAYMENTS FOR TWO YEARS.

Secretariat of State, and Department of Finance and Public Credit.—Section 1st.—His Excellency the Constitutional President, under this day's date, has addressed to this Department the following decree:

The Citizen Benito Juarez, Constitutional President of the United Mexican States, to the inhabitants thereof, Know ye:

That the Sovereign Congress of the Union has been pleased to address me the following decree:

Article 1st. From the date of this law, the Government of the Union shall receive all the liquid proceeds of the Federal revenues, after the sole deduction of the administrative expenditure, in the Collector's offices, and all payments shall be suspended for the term of two years, including the assignments destined to the debt contracted in London, and the foreign Conventions.

Article 2nd. The Maritime Custom-houses and other collecting offices of the Federal revenues shall deliver all their liquid products to the General Treasury, subjecting themselves exclusively to the orders of the Department of Finance. Every 15th and last day of each month they shall remit to said Department, the account of their receipts and expenditures.

Article 3rd. Within the term of one month, the Government shall form and publish an economic estimate of all the public expenditures, with the object of making on the 31st of December 1855, such reductions as may be convenient. The Government shall subject itself to this economic estimate from the date of its publication, and the Congres alone can alter the same thereafter.

Article 4th. The payments of the estimate shall be made in the following order:

1st. Those of the armed force in active service or in garrison. Those of war material. Those of invalids and mutilated in campaign. These payments shall be made integrally without permitting extras ("*agregados.*")

2nd. Those of the active classes of the civil list, and those of the military not on service. In these payments, except in salaries of Three hundred dollars, downwards, which shall be paid integrally, the others shall be satisfied in strict equal proportion.

3rd. Those of the passive classes and pensioners of the Exchequer. Until they can be paid in full, the surplus that may exist every month, after paying the two former classes, shall be applied to them in strict proportional equality, or at least the monthly sum which in case there should be no surplus, the Government shall assign for this object in the estimate.

Article 5th. The Treasurer General can make written observations on the

orders communicated to him by the Government for the payment of any sum by his Department or any other of the offices, that may not be comprised in the economic estimate, or that may in any way contravene the regulations of the preceding article. If after these observations are made in writing, the orders should be repeated, he must comply with them, giving notice thereof to the Congress, or in the time of recess, to the permanent deputation. If he should not make the observations in writing, or should not give notice immediately after the order be repeated, he will incur the penalty of being deprived of his employ, and shall be subjected to trial for the other penalties he may deserve for his neglect of duty.

Article 6th. A superior Board of Finance (*"junta superior de Hacienda"*) shall be established, composed of a President and four members, all named by the Government, with the approbation of the Congress, two of whom at the least should be elected from amongst the creditors of the Exchequer. With the same approbation, the Government shall name five deputy-members. This Board shall have and organize, with the approbation of the Government, an office with the necessary departments for the dispatch of business and another department for the liquidation of the public debt.

Article 7th. The attributes of this Board shall be:

1st.—The adjustment of what is owing for the debt contracted in London, and the foreign conventions.

2nd.—The adjustment of the credits not yet arranged, of those comprised in the law of 30th November 1850.

3rd. The adjustment of the subsequent legitimate credits against the Exchequer, up to the 30th of June of the present year, including those comprised in the law of the 17th December 1860, in order to make the conversion according to the bases which will be fixed by a special law.

4th.—To recover all the sums owing to the Exchequer, of which the offices have no notice, and with the faculty of entering into arrangements with the debtors, with the approbation of the Government.

5th.—To exercise in the District directly, and in the States and Territories through the medium of the superior Chiefs of Finance ("Gefes de Hacienda") all the attributes relating to the realization (*"desamortizacion"*) of corporation property and the nationalization of ecclesiastical property, administrating and realizing what remains of the latter, including the edifices of the suppressed convents.

6th.—To terminate in a legal manner, with the approbation of the Government, all the questions pending as regards the laws of *"desamortizacion"* and nationalization, provided that the parties interested submit themselves previously to their decision, in which no judicial appeal shall be permitted them.

7th.—To distribute all the funds they may collect amongst the creditors of the Exchequer, assigning to those of the *conducta* taken in Laguna Seca, the products of the suppressed religious Convents, but taking care to provide for the endowments of the nuns, and there after giving preference to the amounts owing to Foreign

Conventions; said products to be realized either by special arrangements or by public sales to be made periodically.

Article 8th. In order that the Board may fulfil all these attributes, and such others as the Government may encharge them with, the following assignments are made to them: In the District, all the promissory notes ("*pagarés*") existing in the special office of "*desamortizacion*", the produce of all the pending redemptions: the capitals which, from not having been redeemed, or from any other motive, belong to the Exchequer; and the edifices of the suppressed or reestablished corporations, with the lots, lands, and materials still existing. In the States and Territories, all the products either in property or in "*pagarés*" of the ecclesiastic estate, not yet collected, as also the edifices of the suppressed convents and corporations of whatsoever kind, without any other dedution than that of the 20 per Cent. assigned to the States themselves. In said States and Territories, and in the District, those edifices and capitals shall be excepted, of which special appropriation may have been made, in virtue of any law or order of the Government of the Union.

Article 9th. All these properties shall form, for the present, the fund destined to the "Public Credit"; and the respective employés of the District, as well as the superior officers of Finance in the States and Territories, shall immediately place at the disposal of the Board, all the deeds, titles, accounts, inventories and other corresponding documents.

Article 10th. In the special law which will be dictated for the conversion of the Public Debt, the quota shall be designated, with which the States are to contribute to its payment.

Article 11th. The Government is authorized to Decree an impost on Tobacco. within the term of one month. which shall be collected for the Federal Exchequer in the whole of the Republic.

Article 12th. The Government is authorized, within the two months remaining in this year, to augment the duties of "*alcabala*" on national effects, to one half more, on the articles which in their opinion may permit thereof, excepting from all such increase the articles of agricultural & manufacturing industry, specified in the decree of 24th of September 1855. The Federal Exchequer, as well as the municipalities of the District shall receive the increase that may be made, in the proportions corresponding to them.

Article 13th. The duty of "*contra-registro*" recovered in the District on foreign goods is doubled, and this increase shall subsist only for such time as may be absolutely necessary,-according to the judiment of the Government,-for the object contained in the following Article.

Article 14th. With the new produce of the duties of "*alcabala*" and "*contra registro,*" and the impost to be put upon tobacco, the Government shall pay with all preference, the debts contracted since the 29th of May last, and those that may be incurred in expenditures for the re-establishment of public peace; the orders for the payment of the funds taken at Laguna Seca which may have been issued in virtue of the "*refacciones*" thereof shall remain in full force.

... intervention of the Governors, as well as ... of the States, shall henceforward cease in ... pretensions. Whatever infraction of the ... have resulted to the Government ... enumeration and distribution of the re... Federal employés who ... other purposes: who autho... is obtained by the present ... the orders of the Department ... their employment, and exclu... under the Government, and shall be ... penalties they may have incurred.

... The Government is empowered to reform and organize all the ... of reducing the expenditure of each one, ... employés, but by diminishing their ...

... Session of the Congress of the Union, this 17th day of ... Deputy President.—*Francisco de P.* ... Secretary.—*E. Rubies Gil*, Deputy Secretary.

... same to be printed, published and circulated, and that ...

... Palace at Mexico, this 17th day of July 1861.—*Be...* —To Don Jose Higinio Nuñez, Secretary of State, and Mi... of Finance and Public Credit.

... same to you for your information and exact fulfilment. ... Mexico, July 17th 1861.—*Nuñez.*

NUMBER 28.

CONVENTION BETWEEN HER BRITANNIC MAJESTY AND THE REPUBLIC OF MEXICO FOR THE SETTLEMENT OF VARIOUS QUESTIONS NOW PENDING BETWEEN THE TWO GOVERNMENTS.

Desirous of putting an end to the present suspension of Diplomatic Relations between the British Legation and the Government of Mexico by an arrangement removing the cause of such suspension and at the same time settling certain other questions in which the Government of Her Majesty and that of the Republic are mutually interested, they have resolved to conclude a Treaty for that purpose and have named as their Plenipotentiaries, that is to say:

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Sir Charles Lennox Wyke, Knight Commander of the most Honourable Order of

the Bath, Her Majesty's Envoy Extraordinary and Minister Plenipotentiary to the Republic of México, and

His Excellency the President of the Republic of Mexico, Sr. D. Manuel María de Zamacona, Minister for Foreign Affairs, who having communicated to each other their respective Full Powers found in good and due form, have agreed upon and concluded the following articles.

ARTICLE I.

The sum still remaining due to British Subjects of the moneys abstracted from the conducta at the Laguna Seca, as well as the Six hundred and sixty thousand dollars forcibly taken from the British Legation in the month of November last, shall be repaid to the lawfu lowners thereof, by an assignment made for that purpose by the Mexican Government, corresponding to ten per cent of that portion of the additional duties commonly known under the denomination of "Mejoras materiales."

ARTICLE II.

The rate of interest due from the time when the money was taken, to be paid on both these sums from the same fund, shall be as follows, namely; six per cent per annum on the Six hundred and sixty thousand dollars, and twelve per cent per annum on the remainder of the money due to British subjects from the moneys abstracted from the conducta at the Laguna Seca.

ARTICLE III.

All treaties, conventions and agreements heretofore concluded between the two High contracting Parties shall remain binding in their totality on both Parties, in all affecting British and Mexican interests; and the Supreme decrees of the 14th of October 1850 and the 23d of January 1857, do likewise remain in full force and vigour in all that concerns the London Bondholders.

ARTICLE IV.

Such sums of money owing to the London Bondholders and the Convention Bondholders, as were in the hands of the Custom-House authorities at the time all payments were suspended by the law of the 17th of July last, shall be paid to the owners thereof, together with six per cent interest thereon, out of the same Fund as is set apart for the Convention and Laguna Seca claims, when those shall have been liquidated.

ARTICLE V.

Nothing contained in this Convention shall in any way interfere with the stipulations of other agreements or conventions by which the goods imported in

French vessels, are exempt from contributing to British assignments, until the French Convention shall have been wholly paid off, as well as the arrears due on other claims, as arranged with Admiral Penaud, have also been liquidated; when the quota belonging to the British Convention Bondholders shall be augmented as agreed on, by Two per cent. additional.

ARTICLE VI.

The British Consular agents and the agents of Bondholders at the different Ports of the Republic, shall be entitled to exact the production of all Custom-House books and papers as may have reference to their clients'interest, and to call for ship's manifests, bills of lading, and all other documents which, for the above named purpose, they may consider necessary to examine.

Every month a statement of the duties incurred and of the liquidation of the assignments due to the London Bondholders at each of the Custom-Houses, shall be delivered to the British Consul resident at the Port, and in those places where there is no British Consul, such statements shall be given to the agents of the respective funds, provided there be any such on the spot.

ARTICLE VII.

In order to ensure with certainty the fulfilment of the conditions contained in the preceding articles, the assignments made over to the British creditors shall henceforth be represented by certificates to be issued by the Ministry of Finance, according to the regulations which shall be framed by said Ministry, and no importer will be permitted in future to pay the duties on his cargo without at the same time paying said assignments, which shall not be paid in cash or in any other form except in the said certificates, under the penalty of a second payment of double the amount, one half in certificates and the other in cash, which latter half shall be given to the informer of the fraud.

The Minister of Finance shall deliver a sufficient quantity of said certificates to the representatives of both classes of Bondholders in Mexico, who shall be required to keep enough of them on hand, both in this city and in the ports, to enable the importers to obtain them with the facility required.

For greater security these certificates must be signed by the representatives of the aforesaid Bondholders as well as by the aforesaid agents, and after liquidation they shall be remitted by the collectors of the maritime and frontier Custom-Houses directly to the Minister of Finance, for the purpose of enabling the Government to take due note thereof, in forming the account current of the respective debts.

ARTICLE VIII.

The assignment of ten per cent of the duties alluded to in article I, for the purposes above specified, shall commence from the date of the signature of this

Convention; and the assignments belonging to the London Bondholders and to the Convention Bondholders, secured to them by article III, shall begin from the first day of January 1862.

ARTICLE IX.

It is understood that the Mexican Government shall be free from the responsibility of a debtor to a creditor, in as far as concerns any such sums as shall have been paid by them at the end of each month to the agents of the respective Bondholders, when a liquidation of the sums so paid and received is duly made out and signed by the authorities of the Custom-Houses and the agents at the Ports.

ARTICLE X.

In settling with the other foreign creditors of the Republic the difficulties to which the law of the 17th of July last has given rise, no advantage shall be accorded to them, with regard to the time at which the payment of the assignments shall be renewed, nor as regard the control that they may have in the Custom-Houses, which shall not by the same act be conceded to the British creditors.

ARTICLE XI.

The present convention shall be ratified by Her Britannic Majesty and by the Congress of the Mexican Republic, and the ratifications shall be exchanged at London as soon as possible within the space of six months.

In witness whereof, the respective Plenipotentiaries have signed the same and have affixed thereto their respective seals.

Done at Mexico this Twenty first of November in the year of Our Lord One thousand eight hundred and sixty one.

(L. S.) (Signed.)—*Charles Lennox Wyke.*

(L. S.) (Signed.)—*Manuel Maria de Zamacona.*

NUMBER 24.

LAW OF THE 23RD. OF NOVEMBER 1861, REPEALING THE ACT PASSED ON THE 17TH. OF JULY OF THE SAME YEAR.

Department of Finance.—The Citizen President of the Republic has been pleased to address me the following decree:

"The Citizen Benito Juarez, Constitutional President of the United Mexican States, to the inhabitants of the Republic, Know ye:

That the Congress of the Union has deemed fit to decree as follows:

Article 1st. The law passed on the 17th of July last, relative to diplomatic conventions and the debt contracted in London, is hereby repealed.

Article 2nd. The Government shall immediately put the respective assignments in course of payment, according to the stipulations and rules established previous to the said law.

Article 3rd. The Government shall remit to Congress, without delay, a statement of the sums that existed at the time of passing the said law, and of those it may have received since; dictating the decrees that may be deemed necessary, for the reimbursement of said sums to the creditors of the Conventions and the debt contracted in London, and for providing in favor of the Exchequer such amount as it may be deprived of on this account.

Given in the Hall of Sessions of the Congress of the Union at Mexico, this 23rd of November 1861.—*Manuel Dublán*, Deputy President.—*Juan Guzman*, Deputy Secretary.—*Anselmo Cano*, Deputy Secretary."

Wherefore, I order the same to be printed, published and circulated, and that due fulfilment be given thereunto.

Palace of the Federal Government in Mexico, November 26th 1861.—*Benito Juarez*.—To the Citizen José Gonzalez Echeverría, Minister of Finance and Public Credit."

And I communicate the same to you for, your information and the necessary purpose.

God, Liberty, and Reform. Mexico, November 26th 1861.—*Gonzalez*.

NUMBER 25.

CONVENTION BETWEEN HER MAJESTY, THE QUEEN OF SPAIN, AND THE EMPEROR OF THE FRENCH, FOR COMBINED OPERATIONS AGAINST MEXICO. —SIGNED AT LONDON, OCTOBER 31, 1861.—(RATIFICATIONS EXCHANGED AT LONDON, 1861.)

Sa Majesté la Reine du Royaume Uni de la Grande Bretagne et d'Irlande, Sa Majesté la Reine d'Espagne, et Sa Majesté l'Empereur des Français, se trouvant placées par la conduite arbitraire et vexatoire des autorités de la République du Mexique dans la nécessité d'exiger de ces autorités une protection plus efficace pour les personnes et les propriétés de leur sujets, ainsi que l'exécution des obligations contractées envers elles par la République du Mexique, se sont entendues pour conclure entre elles une Convention dans le but de combiner leur action commune, et, à cet effet, ont nommé pour leurs Plénipotentiares, savoir:

Sa Majesté la Reine du Royaume Uni de la Grande Bretagne et d'Irlande, le Très Honorable Jean Comte Russell, Vicomte Amberley de Amberley et Ardsalla, Pair du Royaume Uni; Conseiller de Sa Majesté Britannique en son Conseil Privé, Principal Secrétaire d'Etat de Sa Majesté pour les Affaires Etrangères;

Sa Majesté la Reine d'Espagne, Don Xavier de Isturiz y Montero, Chevalier

de l'Ordre insigne du Toison d'Or, Grand-Croix de l'Ordre Royal et distingué de Charles III, de l'Ordre Impérial de la Légion d'Honneur de France, des Ordres de la Conception de Villaviciosa et Christ de Portugal, Sénateur du Royaume, ancien Président du Conseil de Ministres et Premier Secrétaire d'Etat de Sa Majesté Catholique, et Son Envoyé Extraordinaire et Ministre Plénipotentiaire près Sa Majesté Britannique:

Et Sa Majesté l'Empereur des Français, Son Excellence le Comte de Flahault de la Billarderie, Sénateur, Général de Division, Grand-Croix de Légion d'Honneur, Ambassadeur Extraordinaire de Sa Majesté Impériale près Sa Majesté Britannique;

Lesquels, après s'être communiqué réciproquement leurs pleins pouvoirs respectifs, trouvés en bonne et due forme, sont tombés d'accord pour arrêter les articles suivants:—

ARTICLE I.

Sa Majesté la Reine du Royaume Uni de la Grande-Bretagne et d'Irlande, Sa Majesté la Reine d'Espagne, et Sa Majesté l'Empereur des Français, s'engagent à arrêter aussitôt après la signature de la présente Convention, les dispositions nécessaires pour envoyer sur les côtes du Mexique des forces de terre et de mer combinées dont l'effectif sera déterminé par un échange ultérieur de communications entre leurs Gouvernements, mais dont l'ensemble devra être suffisant pour pouvoir saisir et occuper les différentes forteresses et positions militaires du littoral Mexicain.

Les Commandants des forces alliées seront, en outre, autorisés à accomplir les autres opérations qui seraient jugées, sur les lieux, les plus propres à réaliser le but spécifié dans le préambule de la présente Convention, et notamment à assurer la sécurité des résidents étrangers.

Toutes les mesures dont il s'agit dans cet Article seront prises, au nom et pour le compte des Hautes Parties Contractantes, sans acception de la nationalité particulière des forces employées à les exécuter.

ARTICLE II.

Les Hautes Parties Contractantes s'engagent à ne rechercher pour elles-mêmes, dans l'emploi des mesures coercitives prévues par la présente Convention, aucune acquisition de territoire ni aucun avantage particulier, et à n'exercer, dans les affaires intérieures du Mexique, aucune influence de nature à porter atteinte au droit de la nation Mexicaine de choisir et de constituer librement la forme de son Gouvernement.

ARTICLE III.

Une Commission composée de trois Commissaires, un nommé par chacune des Puissances Contractantes, sera établi avec plein pouvoir de statuer sur toutes

Article 2nd. The Government shall immediately put the respective ass ments in course of payment, according to the stipulations and rules establi previous to the said law.

Article 3rd. The Government shall remit to Congress, without delay, a st ment of the sums that existed at the time of passing the said law, and of t it may have received since; dictating the decrees that may be deemed neces for the reimbursement of said sums to the creditors of the Conventions an debt contracted in London, and for providing in favor of the Excheque amount as it may be deprived of on this account.

Given in the Hall of Sessions of the Congress of the Union at Mexico, t of November 1861.—*Manuel Dublán*, Deputy President.—*Juan Guz* puty Secretary.—*Anselmo Cano*, Deputy Secretary."

Wherefore, I order the same to be printed, published and circulate due fulfilment be given thereunto.

Palace of the Federal Government in Mexico, November 26th 18 *Juarez*.—To the Citizen José Gonzalez Echeverría, Minister of Fina lic Credit."

And I communicate the same to you for, your information and purpose.

God, Liberty, and Reform. Mexico, November 26th 1861.—(

NUMBER 25.

CONVENTION BETWEEN HER MAJESTY, THE QUEEN O EMPEROR OF THE FRENCH, FOR COMBINED OPERATI —SIGNED AT LONDON, OCTOBER 31, 1861.—(RATIFI AT LONDON, 1861.)

Sa Majesté la Reine du Royaume Uni de la Gran Sa Majesté la Reine d'Espagne, et Sa Majesté l'Emp vant placées par la conduite arbitraire et vexatoire d que du Mexique dans la nécessité d'exiger de ces a efficace pour les personnes et les propriétés de leur des obligations contractées envers elles par la Rép entendues pour conclure entre elles une Conventio action commune, et, à cet effet, ont nommé pour l

Sa Majesté la Reine du Royaume Uni de la G Très Honorable Jean Comte Russell, Vicomte A lla, Pair du Royaume Uni; Conseiller de Sa M Privé, Principal Secrétaire d'Etat de Sa Maj

Sa Majesté la Reine d'Espagne, Don Xavi

les questions que pourrait soulever l'emploi ou la distribution des sommes d'argent qui seront recouvrées au Mexique, en ayant égard aux droits respectifs des trois Parties Contractantes.

ARTICLE IV.

Les Hautes Parties Contractantes désirant, en outre, que les mesures qu'elles ont l'intention d'adopter n'aient pas un caractère exclusif, et sachant que le Gouvernement des Etats Unis a, de son côté, des réclamations à faire valoir, comme elles, contre la République Mexicaine, conviennent qu'aussitôt après la signature de la présente Convention, il sera communiqué une copie au Gouvernement des Etats Unis, que ce Gouvernement sera invité à y accéder, et qu'en prévision de cette accession leurs Ministres respectifs à Washington seront immédiatement munis de pleins pouvoirs à l'effet de conclure et de signer, collectivement ou séparément, avec le Plénipotentiaire désigné par le Président des Etats Unis, une Convention identique, sauf suppresion du présent Article, à celle qu'elles signent à la date de ce jour. Mais comme les Hautes Parties Contractantes s'exposeraient, en apportant quelque retard à la mise à exécution des Articles I et II de la présente Convention, à manquer le but qu'elles désirent atteindre, elles sont tombées d'accord de ne pas différer, en vue d'obtenir l'accession du Gouvernement des Etats Unis, le commencement des opérations sus-mentionnés au delà de l'époque à laquelle leurs forces combinées pourront être réunies dans les parages de Veracruz.

ARTICLE V.

La présente Convention sera ratifiée, et les ratifications en seront échangées à Londres, dans le délai de quinze jours.

En foi de quoi les Plénipotentiaires respectifs l'ont signé, et y ont apposé le sceau de leurs armes.

Fait à Londres, en triple original, le trente-unième jour du mois d'Octobre, de l'an de grace mil huit cent soixante-un.

(L. S.) Russell.

(L. S.) Xavier de Isturiz.

(L. S.) Flahault.

LAWS AND DOCUMENTS

RELATIVE TO THE

SPANISH CONVENTIONS.

NUMBER 1.

Treaty of Amity and Commerce with Her Majesty the Queen of Spain, dated the 28th December 1836.

The President of the Mexican Republic to all to whom these presents shall come, Know ye:

That a Treaty of Peace and Amity having been concluded and signed at Madrid on the 28th day of December in the year 1836, between this Republic and Her Catholic Majesty the Queen of Spain, by the medium of the Plenipotentiaries of both Governments, duly and respectively authorized for this purpose, the tenor of which is as follows:

In the name of the Most Holy Trinity.

The Mexican Republic on one part, and on the other H. C. M. Doña Isabel the 2nd, by the Grace of God, and by the Constitution of the Spanish Monarchy, Queen of Spain, and during her minority, the Dowager Queen Doña María Cristina de Borbon, her august Mother, Governess of the Kingdom: desiring anxiously to put an end to the state of incommunication and disagreement which has existed between the two Governments and between the citizens and subjects of one and the other country, and bury in oblivion for ever, the past differences and dissensions, through which, unfortunately, the relations of friendship and harmony between both people, have been, for so long a time interrupted,–although naturally called to look upon one another as brothers from their former bonds of union, identity, origin and reciprocal interests, have resolved in mutual benefit, to re-establish and permanently secure the said relations, by means of a definitive treaty of peace and sincere amity.

With this object they have named and constituted as their Plenipotentiaries to wit:

[illegible] of her au-
[illegible] as a free.
[illegible] unities speci-
[illegible] the fire-royalty
[illegible] *Hispaniæ*"
[illegible] mutual pro-
[illegible] and
[illegible] Repu-
[illegible] as well
[illegible] ment
[illegible]

[illegible] general and
[illegible] Spaniards, without any ex-
[illegible] France,
[illegible] respective governments,
[illegible] wars and dissensions hap-
[illegible] the time they lasted and until the
[illegible] and given through the high
[illegible] which she is animated to co-
[illegible] henceforward and for ever, are to be preserved
[illegible] citizens of the Mexican Republic.

[illegible] Republic and Her Catholic Majesty agree that the
[illegible] subjects of both nations, shall retain their just and free
[illegible] justice and full satisfaction for the debts contracted
[illegible] them: and it is likewise agreed that no legal impedi-
[illegible] on the part of the public authority, to the rights they may
[illegible] marriage, inheritance by will, or *ab intestatum*, succession,

they may import to, or export from, the territories of the high contracting parties and under their respective flags, the citizens of the Mexican Republic and Her Catholic Majesty's subjects shall be treated upon the same terms as the most favored nation: except in such cases where reciprocal advantages are to be obtained, when mutual concessions may be made which shall result to the benefit of both countries.

Art. 6th. The merchants and other citizens of the Mexican Republic or the subjects of Her Catholic Majesty who may establish themselves, trade in or travel through the whole or any part of the territories of either country, shall enjoy the most perfect security in their persons and property, and shall be exempt from all forced service in the Army or Navy, or National militia, and of all charges, contributions or imposts that may not be paid by the citizens or subjects of the country in which they reside; and as well as regards the distribution of contributions, imposts and other general charges, as in protection and liberty in the exercise of their trades or professions, and also in all relating to the administration of justice, they shall be considered in the same manner as the natives of the respective nation, provided always that they subject themselves to the laws, regulations and customs of the nation they reside in.

Art. 7th. In consideration that the Mexican Republic, by the law of the 28th of June 1824, given by the general Congress, has recognized voluntarily and espontaneously, *as peculiar and national*, all debts contracted against her Exchequer by the Spanish Government and their authorities whilst reigning over the now independent Mexican nation, until they totally ceased to govern the said nation in 1821; and that, moreover, no confiscation of any property belonging to Spanish subjects, exists in said Republic; the aforesaid Mexican Republic and Her Catholic Majesty for herself and her heirs and sucessors, by common accord, *desist from all claim or mutual pretension that might arise upon the points expressed*, and they declare that the high contracting parties remain freed and absolved, now and for ever, from all liability in this respect.

Art. 8th. The present Treaty of peace and amity shall be ratified by both Governments, and the ratifications shall be exchanged at the Court of Madrid, within the term of nine months counted from this day, or before then, if it be possible, with which object all diligence shall be used.

In Witness whereof, We the undersigned Plenipotentiaries have hereunto set our hands and affixed our respective seals.

Dated, in triplicate, in Madrid this 28th day of the month of December, in the year of Our Lord One Thousand, Eight Hundred an Thirty Six.—(L. S.)—*Miguel Santa Maria.*—(L. S.)—*Jose Maria Calatrava.*

Wherefore, after having seen and examined said Treaty, after it was approved of by the General Congress, and in virtue of the power invested in me by the Constitutional laws, I have ratified, accepted and confirmed, and by these presents do ratify, accept and confirm the same, and promise faithfully to observe and cause to be observed all therein contained, without allowing the same to be contravened in any way whatever.

In witness whereof, I have signed hereunto and ordered the same to be sealed with the great seal of the Nation and countersigned by the Minister of Foreign Affairs.

Given in the National Palace at Mexico, this 3rd day of May 1837, and 17th year of the Independence.—*Anastasio Bustamante.*—*Luis G. Cuevas.*

And the Treaty referred to having been likewise approved and ratified by Her Catholic Majesty the Queen Dowager of Spain, for herself and in the name of her august daughter Doña Isabel the 2nd on the 14th day of November 1837, after having amplified the time fixed for the exchange of the ratifications; I order the same to be printed, published and circulated, and that due compliance be given thereunto.

NUMBER 2.

Recognition of Public Debts.—June 28th 1824.

The general Constitutive Sovereign Congress of the United Mexican States, wishing to give a proof of their respect for the public faith and to secure the National Credit upon solid bases, has deemed fit to decree as follows:

Article 1st. The debts contracted in the Mexican nation by the Government of the Viceroys up to the 17th of September 1810 are hereby recognized.

Article 2nd. The debts which it may be proved, were contracted for the service of the Governments acknowledged in the law of rewards, and by the Generals who have been declared well deserving ("beneméritos") of their country, are admitted as claims against the Nation.

Article 3rd. The Nation also recognizes those claims contracted in her territory, with Mexicans, by the Viceroy Government, from the 17th September 1810 to the entry, in this capital, of the army of the three guarantees, ("ejército trigarante") provided that it is proved that they were not voluntary.

Article 4th. The Nation likewise recognizes all the debts incurred in her service, by the Chiefs of the Independence from the proclamation ("grito") of Iguala to the entry in this capital, as also those of the Liberating Army up to the occupation of said Capital, made with the same object.

Article 5th. Finally, all those debts are recognized which have been contracted by the Governments established since the first epoch mentioned in the preceding article.

NUMBER 8.

The Bermudez–Pacheco, Spanish Convention July 17th 1847.

The undersigned Minister of Foreign Affairs and Finance of the Mexican Republic, and the Envoy Extraordinary and Minister Plenipotentiary of Her

Catholic Majesty, having met in diplomatic conference, with the object of taking into consideration the state and circumstances of certain Spanish claims; bearing in mind that according to the 7th article of the Treaty signed at Madrid on the 28th day of December 1836, there was recognized as the Mexican Debt all that which was pending against the Treasury of New Spain, at the time the Independence of the country was effected; and having in view the note of the Spanish Legation of the 5th of May last, have entered upon and agreed to the following articles:

Articles 1st. All the claims of the Spanish Legation, whether those now *pending*, or those that may *hereafter* be presented by the Representatives of Her Majesty, shall be paid from a fund to be called the *Spanish Claims Fund.*

Article 2nd. This fund shall be composed of Three per cent. of all the duties payable in the Maritime and Frontier Custom-Houses, according to the reigning Tariff, on Foreign merchandize, produce or effects, at the time of their introduction into the Republic.

Article 3rd. With this Fund, all the claims supported by Her Majesty's Legation and recognized by the Mexican Government, shall be paid, whether proceeding from debts contracted against the Treasury of New Spain, previously to the Independence of the country, according to the 7th article of the Treaty of Madrid of 1836, or whether proceeding from later circumstances; but all those claims of a privileged character, such as the arbitrary seizure (*ocupacion*) of Spanish property, forced loans, unjust confiscation of goods, and others of a similar class, *shall be the object of special arrangements* between the representatives of Her Majesty and the Government of the Republic.

Article 4th. If, at any time, the number of the claims of the Spanish Legation, should increase considerably, and the state of the Mexican Treasury should permit thereof, the Fund created by this agreement shall also be increased in the manner that may be decided upon.

Article 5th. The direction of this Fund shall be under the charge of a Board of five persons, named by the Minister of Spain, which Board shali receive directly, the bills of the Maritime Custom-Houses, shall make the corresponding dividends to the parties interested, and liquidate every six months with the general Treasury of the Federation, the account of receipts and expenditures, one authenticated copy of these accounts being presented to the Minister of Finance, and another in the same terms to Her Majesty's Legation.

Article 6th. The credits proceeding from adjusted claims shall be paid with the legal interest on their amounts, in proportion to the sum they represent, as well in those already recognized as in those that may hereafter be acknowledged; but with the view of avoiding confusion in the accounts, the Board, at the time of making their half-yearly balances, shall put under payment the claims recognized and adjusted during this term.

Article 7th. For the prompt examination and adjustment of the claims made by the Spanish Legation against the Government of the Republic, the Minister of Finance shall name three of the employes of this Department whom he

may considerer the most apt; who, after hearing the parties interested or their representatives, shall fix with Her Majesty's Minister the total amount of the sum, and the date from which the interest should commence to be paid. These adjustments, approved by the Minister of Finance, shall be transmitted by the Minister of Foreign Affairs to the Representative of Her Majesty.

Article 8th. The products of the Fund referred to in the preceding articles, cannot be diverted from their object under any pretext; and the purposes of this Convention shall not be altered, suspended or modified by any circumstance or at any time, except by means of an express and formal agreement between the Representative of H. C. M. and the Government of the Republic.

In Witness whereof &c.—Mexico &c. (L. S.) *J. R. Pacheco.*—(L. S.) *Juan Rondero.*—(L. S.) *Salvador Bermudez de Castro.*

NUMBER 4.

ORDER OF THE 30TH JANUARY 1849, FOR THE SEPARATION OF TWO PER CENT. OF THE IMPORT DUTIES FOR SPANISH CLAIMS.

Department of Home and Foreign Affairs.—Your Excellency.—As the result of the conferences held in respect to the Convention signed by this Department with the Legation of Spain on the 17th of July 1847, of which document your Excellency has knowledge, His Excellency the President has been pleased to order, that for the present and until Her Catholic Majesty's Chargé d'Affaires shall receive definite instructions on this matter from his Government, there shall be separated in the maritime and frontier Custom houses, Two per Cent. of the import duties, for the payment of the recognized claims of Spanish subjects, since the Independence, and of those still pending, originated from that period, that might have been acknowledged by the Government of the Republic.—

In conformity therewith, I communicate the same to Your Excellency, with the object that you may be pleased to dictate the necessary orders for its due fulfilment.

God and Liberty. January 30th 1849.—*Cuevas.*—To His Excellency the Minister of Finance.

NUMBER 5.

THE RAMIREZ-ZAYAS CONVENTION FOR THE PAYMENT OF THE SPANISH CREDITORS OF THE MEXICAN EXCHEQUER, NOVEMBER 14TH 1851.

The undersigned Minister of Foreign Affairs of Mexico, and the Envoy Extraordinary and Minister Plenipotentiary of Her Catholic Majesty, having met

in diplomatic conference,—the first named, authorized by the decree of the 17th of October 1851,—equally animated with the sincere desire of consolidating the amicable relations which unite Mexico and Spain, and with the object of removing all motive or occasion of difference betwen the two nations: taking into consideration that their good feeling might be disturbed by the questions that have arisen respecting the execution of the Convention made by the Minister of Foreign Relations & Finance on the 17th of July 1849 with the Representative of Her Catholic Majesty, for the arrangement of the payment of the claims of Spanish creditors: have agreed upon modifying the same, upon the terms and conditions of the following articles.

ART. 1ST.

Within the peremptory term of two months, the examination, recognition, and adjustment of the Spanish claims against the Mexican Government shall be proceeded upon, both as regards those that have been presented by Her Catholic Majesty's Legation, as well as those existing in the archives up to the date of the present Convention, either originating from debts contracted against the Treasury of New Spain, previous to the Independence of the Nation, according to the 7th article of the Treaty of Madrid of 1836, or from subsequent circumstances.

The term of one year, is conceded from the date of the present Convention, for the presentation to Her Catholic Majesty's Legation, of the holders of Spanish claims of a similar origin and nature to those already comprised and that may not, as yet, have been presented. All those who should not present themselves within this term, shall forfeit their rights, and their claims shall be considered as null and cancelled.

ART. 2ND.

All the claims proceeding from loans illegally exacted, or from forcible seizure of property, by the Government or their civil or military agents, and of sums levied upon public works, shall be considered as entitled to interest at 5 per Cent. per annum, (if they should not have any less rate legally assigned or agreed upon) which shall be calculated from the day of their assignment or from the day following that on which the payment should have been made up to the date of the Convention of 1847.

All the claims proceeding from voluntary loans or contracts, shall only bear the interest mentioned, provided it was so stipulated in the respective documents. The amount of this interest, added to the respective capital, shall form one sole consolidated fund.

It is agreed that all adjustments shall be made upon the basis of not bearing interest except upon the primitive capital, and that the interest stipulated in this article shall only accrue from the 27th of September 1821 to the date of the said Convention of 1847.

ART. 3RD.

The examination and acknowledgment of the Spanish claims, shall be effected by the Minister of Foreign Affairs of the Republic, and by the Plenipotentiary of Her Catholic Majesty, who, after agreeing upon the rights of each one of the claimants, shall transmit the documents, with the decision they may have formed, to a Board composed of three Mexican Commissioners, who shall be designated for this purpose by the aforesaid Minister of Foreign Affairs, and this Board, after hearing the parties interested or their representatives, shall, with the intervention of H. C. M's. Minister, adjust the claim and fix the total amount thereof. Copies of these adjustments shall be passed to the said Minister.

In case any question should arise relative to the rights of any of the Claimants, bonds of an equal sum to that of the claim shall be emitted, and retained in deposit in the Department of Foreign Affairs until the point in dispute shall be decided.

ART. 4TH.

The total amount of the Spanish claims, adjusted as is ordered in the preceding articles, shall be delivered to the Minister of H. C. M. in Bonds of the Mexican Treasury, payable to the bearer, with interest at Three per Cent. per annum, payable half yearly, with the object of satisfying with the same, the Spanish credits for the payment of which they are issued.

ART. 5TH.

As the adjustment of the Spanish claims should be effected,-according to Article 1,-within the term of two months; at the expiration of this term, the Mexican Government binds itself to deliver to the Minister of Spain a sum, in the said Bonds, equal to the claims adjusted.

As it might happen that at the expiration of the said term, all the claims may not have been adjusted, from some of the documents awaiting the time asked by the claimants for the presentation of vouchers required from them, the said term shall be prolonged for two months more. The amount of this delayed adjustment shall also be delivered to the Minister of Spain at the completion of the second term.

All the Bonds shall be issued under the same date; but in those given for credits adjusted after the first three months, the coupons corresponding to the time that has transpired from the date of their emission to that of the adjustment, shall be cut off at the time of delivering the same, note being made thereof in the Bonds themselves and in the respective book. The payment of the dividend shall commence to be effected in the following half year after the liquidation.

ART. 6TH.

The Minister of Foreign Affairs shall deliver to the Minister of Spain, the Bonds corresponding to the claims liquidated, taking at the time a general receipt for the same, and within eight days afterwards a separate receipt for each one of the respective creditors resident in the capital, and within a stipulated time, the receipts for non-residents, with all the other documents they may possess, and that the Mexican Government may deem necessary for the due cancelation of the claim.

ART. 7TH.

The payment of dividends shall be effected by means of orders to be drawn by the Minister of Foreign Affairs through the medium of the Minister of Finance, against the Treasury General, and in favor of the Plenipotentiary of Spain, and said payment should be made in hard dollars and excluding all other equivalent, of any description. The Spanish Minister shall deliver the corresponding coupons into the said office, within three days after the payment.

ART 8TH.

If the Mexican Government, should allow sixty days to pass, counted from the end of the half year, without effecting the payment of the dividend in hard dollars, as stipulated in the preceding Article, said Government binds itself to admit for their value, the unpaid Bonds of such half year, in payment of Maritime and Inland Customs duties, contributions, *alcabalas*, and of any other impost that may be levied in favor of the Federal Exchequer. The said Government also binds itself to extend to the Bonds referred to in the present Convention, all the concessions granted to whatsoever other species of of Bonds, titles, scrip, (inscripciones") or paper created or that may be created on account of loans or pecuniary transactions; particularly, when the results of these concessions may be reduced to admitting the privileged paper in part payment of debts or purchase of national property, provided always that the holders of said Bonds shall put themselves on a level, in their proposals and offers, with the other creditors or bidders.

ART 9TH.

The Mexican Government reserves to itself the right of reedeming the Bonds, created by the present Convention, at par, that is; for all their nominal value, giving one month's notice thereof in the official news paper; said redemption to be effected in hard dollars, with absolute exclusion of paper-money. The said Government also reserves to itself the right of effecting the same, totally or par-

tially, by means of voluntary arrangements with the Bondholders, giving notice in both cases to the Spanish Legation, of the numbers which, at the will of the owners, may be withdrawn from circulation.

ART 10TH.

The Bonds referred to, shall be drawn up according to the accompanying form, and shall be signed by the Treasurer General and Minister of Foreign Affairs of the Republic, and by the Plenipotentiary of Her Catholic Majesty.

ART 11TH.

There shall be excluded from the present Convention,–the claims originating in the pillage and demolition of the Parian, those comprised in the funds known as the 26 per Cent, and the Copper fund, which have been already adjusted,–but the Spanish owners of claims of these species shall, notwithstanding, retain their rights against the Mexican Exchequer, without this exclusion causing them any detriment.

ART. 12TH.

The Spanish claims comprised in this Convention, are exclusively those of Spanish origin and property; but not those, which although of Spanish origin, may have become the property of citizens of any other Nation.

ART. 13.TH

The conditions of this Convention, cannot be altered, suspended, nor modified under any circumstances, nor at any time, except by means of a special and formal agreement between the Minister of Foreign Affairs of the Republic and the Representative of Her Catholic Majesty.

In witness whereof, We the undersigned Minister of Foreign Affairs of the Mexican Republic, and the Envoy Extraordinary and Minister Plenipotentiary of Her Catholic Majesty, do sign two originals of the present Convention, and seal the same with our respective seals, in the city of Mexico, this 14th day of November 1851. (L. S.) *José F. Ramirez.*—(L S.) *Juan Antoine y Zayas.*

NUMBER 6.

SECRET ARTICLE OF THE 18TH FEBRUARY 1852, WHICH WAS REJECTED BY THE SPANISH GOVERNMENT.

"Additional and secret article to the protocol of 18th February 1852. The undersigned Minister of Foreign Relations, and the Minister of H. C. M., taking into consideration the differences which for some time back have been pending

between the two Governments, respecting the sense of the 7th article of the Treaty of Madrid, by the opposition presented thereto in the law of 28th June 1824, and desiring to have no cause or motive that might disturb the peace and amity which reigns between the two countries, and which they are so anxious to preserve, have agreed that if in the ultimate revision, which they have stipulated to make of the claims, doubts should occur of that character, these shall be decided in such a manner as may prevent the difficulty offered by said opposition, by subjecting themselves in the cases that may occur, to the conditions contained in the said law, and if the difficulties be such as the undersigned may be unable to reconcile, the article respecting pensions shall be applied to the respective cases stipulated in the protocol of this date, and special negotiations shall be entered upon for their arrangement.

It is also agreed, that the contents of this additional article shall be maintained secret, and that the same shall only be known to the Ministers of Foreign Relations of the Republic, and shall be destroyed immediately the adjustment and recognizition of the debt be concluded. In Witness whereof, we sign hereunto, this 18th of February 1852.—*José Fernando Ramirez.—Juan Antoine y Zaya.*

NUMBER 7.

RECOGNITION OF THE SPANISH CLAIMS SUBJECTED TO DISCUSSION BY THE TENOR OF THE 7TH & 8TH PROTOCOLS.

To His Excellency Don Juan Antoine y Zayas, Envoy Extraordinary and Minister Plenipotentiary of H. C. M.—National Palace.—Mexico October 12th 1856.—The undersigned, Chief Clerk in charge of the Department of Foreign Affairs, has had the honor of receiving the note of the 8th Instant, addressed to him by His Excellency the Envoy Extraordinary of H. C. Majesty, relative to the secret article signed by His Excellency and Señor Don José Fernando Ramirez, as an addition to the protocol of the 18th February last, in which doubts are admitted as to the sense of the 7th article of peace and amity between the Republic and Spain in reference to the claims comprised in the Convention of the 14th of November last; Your Excellency stating by special order of your Government, that said reserved article must be considered as null and void, and that the negotiation referred to in the 7th and 8th protocols, shall be held as at an end.

The undersigned has acquainted himself with the facts cited by His Excellency the Envoy Extraordinary of H. C. M. the contents of which he alleges in support of the resolution he reclaims, and without stopping to examine them, passes (by order of His Excellency the President, to whose consideration he has

submitted His Excellency's note,) to give a reply to the most essential part, limited to the payment of the Spanish claims which gave rise to the secret article.

The undersigned cannot do less than intimate to His Excellency, Señor Don Juan Antoine y Zayas, that previous to the present occasion, these doubts were entertained with the demand made by Señor Don Pascual Oliver in 1841, (who was at that time H. C. M's Minister,) in relation to a claim of the Spanish Subject Don Pablo Ruiz de Labastida; doubts which, for the time being, remained without solution. Consequently, the Spanish Government cannot feel surprised that in bringing forward analogous cases, the same doubts should also be reproduced by Señor D. Fernando Ramirez, above all at finding himself involved in a question with the Chamber of Deputies, where the use that the Government had made of the authorization conceded to it, for regulating the debts arising from diplomatic Conventions and judicial sentences upon claims against the Mexican Exchequer, were unfavorably looked upon.

On that occasion, the Mexican Government, giving free course to the sentiments of esteem it has always professed towards Spain,—and which, it feels gratified to find, are corresponded to by the Government of H. C. M.,—leaving the general question untouched and resolving upon the particular one, then brought forward,—ordered the claim of Señor Labastida to be paid, and H. C. Majesty's Government, as well disposed as Mexico,—to march by the path most conducive to promote the harmony and friendly relations of two nations that recognize the same origin, tacitly consented to the resolution adopted.

These considerations, to which may be added the just appreciation of the sentiments—as friendly as they are loyal—contained in the note of His Excellency, Señor Don Juan Antoine y Zayas, to which the undersigned now replies, are those which influence the spirit of the Government of the Republic in determining the question of the day, as it was resolved upon in the year 1848, in the note addressed on the 12th of February, by the Minister of Foreign Affairs to the Plenipotentiary of H. C. Majesty.

Consequently, without referring to the 7th article of the Treaty of Madrid, and considering the recognition of certain Spanish claims by the Audit Office ("*Contaduria Mayor*"), with those made subsequently, up to the present year 1852, and mentioned by Señor Zayas, the undersigned—having received the orders of His Excellency the President of the Republic—*holds the discussion,—to which certain Spanish claims referred to in the 7th & 8th protocols were submitted, as terminated;* by being comprehended in the doubt entertained relative to the sense of the aforesaid 7th article of the Treaty of Peace and Amity between Mexico and Spain, but reserving the explanations *in regard to the nationality mentioned in said protocols, and all the requisites demanded by the Convention of the 14th of November last.*

The undersigned and his Government flatter themselves, that Her Catholic Majesty and her worthy Minister will appreciate the spirit with which the present resolution is dictated, and which is no other than that of removing every obstacle, that might in the slightest degree disturb the existing relations between the two

countries, as also to afford a renewed proof of the loyalty and good faith exercised in all acts in which the interests of the subjects of friendly powers and the interposition of their Governments and Representatives, are concerned.

The undersigned avails himself with pleasure, of this opportunity to reiterate to His Excellency, Señor Don Juan Antoine y Zayas, the assurances of his high consideration.—*J. Miguel Arroyo.*

NUMBER 8.

PRELIMINARY BASES (UNDER DATE OF THE 26TH AUGUST 1853) FOR A NEW NEGOTIATION RESPECTING THE SPANISH CLAIMS NOT COMPRISED IN THE 7TH ARTICLE OF THE TREATY OF 1836.

The present Government, desirous of fulfilling with all legality, the compromises entered into by the Exchequer with Spanish subjects, is willing to open negotiations with this object, upon the following bases:

First.—All Spanish claims subsequent to the 27th of September 1821, shall be considered in this negotiation.

Second.—The examination and recognition of Spanish claims shall be effected by a Commission composed of five individuals versed in auditing accounts. Two of these should be Counsellors, in order to clear up, with greater facility, the points at law that may arise.

Third.—The revising and adjusting Commission shall have a fixed term for the conclusion of their labors.

Fourth.—No other claims. shall enter into examination nor be the object of negotiation with the Representative of Her Catholic Majesty, than those that from their origin, *have remained in the possession of Spanish subjects*, without having been transferred to Mexicans or any other individuals of different nations, whether such transfer may have been made to persons in particular, *or to Foreign Companies or Associations.*

Fifth.—For the payment of the revised and approved claims, the Mexican Government shall assign a special fund, formed from the partial or entire product of one or more of its revenues.

Such are the bases which the Government of Mexico considers adequate to the formation of a definitive arrangement in regard to the Spanish Debt. These bases appear to be just, rational and practicable, at the same time that they demonstrate the anxiety that exists, on the part of the Mexican Government, to confirm, more and more, the relations of amity and perfect harmony that happily bind it with the Government of Her Catholic Majesty.

NUMERO 9.

SPANISH CONVENTION OF THE 12TH OF NOVEMBER 1853, FORMED INTO A TREATY ON THE 30TH MAY 1854.

His Serene Highness, the General President, has been pleased to address me the following decree:

Antonio Lopez de Santa-Anna, "Benemerito de la Patria" *a General of Division, Grand Master of the National and distinguished Order of Guadalupe, Knight Grand Cross of the Royal and distinguished Spanish Order of Charles the 3rd. and President of the Mexican Republic, to all those to whom these presents shall come, Know ye:*

That a Convention having been concluded and signed in this capital on the 12th of the present month, between this Republic and Spain, with the object of regulating the payments of the claims of the subjects of that Power against the Mexican Exchequer, which Convention is to the following effect:

"Desirous of putting an end to the serious difficulties that had arisen between Mexico and Spain relative to the agreement entered into on the 14th of November 1851, for the payment of the Spanish claims, the undersigned Minister of Foreign Affairs of the Mexican Republic, and the Envoy Extraordinary and Ministir Plenipotentiary of Her Catholic Majesty, have met in conference, with the view of modifying the said agreement, in such terms that in future there cannot be the slightest motive for discussion, thereby, facilitating the payment of the Spanish claims therein comprised; and animated by the most friendly sentiments, they have consented, (the first named, with the approval of the Council of Ministers and duly authorized for this purpose by H. E. the President of the Republic, and the second named, taking it upon his own responsibility with the object of securing, in a solid and permanent manner, the relations of amity and harmony that happily exist between both countries, and flattering themselves that it will meet with the approbation of Her Catholic Majesty), in making a new Convention, which shall be created into a solemn Treaty, if Her Majesty the Queen of Spain should accede to the desires of His Excellency the President of the Mexican Republic, who wishes in this manner to offer to the Spanish Creditors another guarantee that in future their interests will be punctually provided for. With this end they have stipulated as follows:

Article 1st. The Mexican Government recognizes, as a legitimate debt against the Exchequer, all the sums claimed by Spanish subjects, which, having been presented within the term specified in the Convention of the 14th of November 1851, have been already adjusted or are still pending adjustment, provided always, that in effecting this operation for what is still unsettled, *the claims they represent shall prove legitimate, without admitting other new claims.*

Article 2nd. All the claims proceeding from loans illegally exacted, or from forcible seizure of property by the Government or its civil or military Agents, and from *sums levied upon public works, shall be considered as entitled to interest at Five per Cent. per annum, from the 27th of September* 1812, provided they should not have a rate of interest legally agreed upon or assigned, nor a day fixed for their payment. The claims of the class referred to, that may have a rate of interest agreed upon, or day assigned for their payment, shall be considered as entitled to 5 per Cent. annual interest from the day of their assignment or from the next day after that in which their payment should be effected, whatever the year may be to which these dates correspond.

The claims *arising from voluntary loans or contracts shall only be entitled to the said interest* of 5 per Cent. per annum, if no less rate should have been stipulated in their respective agreements.

The adjustment of the claims that are expressed in the preceding paragraphs, shall be made upon the bases of not bearing interest except upon the primitive capital, and only up to the 17th of July 1847, when the first arrangement was made between Mexico and Spain for the settlement of these claims.

The amount of the interest mentioned in the preceding paragraphs, added to the primitive capital shall form one sole consolidated fund, to bear interest as stipulated in the present convention.

Article 3rd. The Mexican Government binds itself to pay to the Spanish Creditors, comprised in the present Convention, three per cent. for annual interest, calculated upon the progressive diminution caused by the redemption,—and five per Cent. for the redemption of the consolidated fund or capital.

This interest shall be computed from the 14th of August 1852, as was agreed upon for the execution of the Convention of the 14th November 1851.

Article 4th. The payment of the sums assigned to the redemption and interest of the claims included in this convention, shall be made at the end of every half-year, into the hands of the commissioner or commissioners named for this purpose by the Creditors comprised therein.—In order to fulfil the stipulations contained in the foregoing Article, the Mexican Government obliges itself to assign Eight per Cent. of the products of the import duties recovered in the Custom Houses established in the ports of the Republic, wherewith to cover the 3 per Cent. of interest and the 5 per Cent. of redemption, specified by said Article, for the claims comprised in the present Convention.

With the object that the payment of this Three and Five per Cent. may not at any time be suspended or deferred, the Mexican Government obliges itself to pass an order to the Administrators of the said revenue, directing them to set apart the Eight per Cent. of the duties referred to, and remit the same in bills to the General Treasury, drawn in favor of the said Commissioner or Commissioners, which bills shall be delivered to them, immediately they are received by the General Treasury. The said Commissioner or Commissioners shall, on their part, give the necessary security, to the satisfaction of the Mexican Government, for the sums they may receive from the General Treasury, for the payments specified in this and the preceding Articles.

If at the end of the year, the interest and the 5 per Cent. of Redemption should not be covered, the General Treasury, without any further order, shall complete the deficit from the first bills, it may receive from the Maritime Custom Houses; and the Commissioner or Commissioners, on their part, should they have received a greater sum than the said interest and redemption amount to, shall return the excess to the said Treasury.

Article 5th. The Minister of Foreign Affairs of the Mexican Republic shall pass to the representative of H. C. M., a copy of the order transmitted by the Minister of Finance to the Administrators of the Custom Houses, in accordance with the preceding Article, which document shall be considered as forming a part of the present Convention.

Article 6th. For the payment of the interest on the debt already adjusted, and of that commenced to be paid in virtue of the Convention of the 14th November 1851, the Government obliges itself to issue, within one month from the date of the present Convention, the orders, mentioned in the foregoing Article, for the Administrators of the Maritime Custom Houses, in order that, in accordance therewith, they may remit the bills referred to, with the object of completing the arrears of the credits, in the state herein mentioned, and solely to satisfy the 3 per cent. interest stipulated in the Convention of 1851. The 5 per cent. of the redemption now assigned, shall commence to take effect on the 14th of February 1854.

Article 7th. Of the 8 per cent. assigned by the 4th Article, there shall first be paid the 3 per cent of the interest already due, and afterwards the 5 per cent. redemption, both corresponding to their respective half-years: this redemption shall be made by auction, to be held solely amongst the creditors for titles of the Spanish Convention, and shall be adjudged to the highest bidder, that is to say, to the one who may offer his Bonds on the most advantageous terms for the Government, the minimum proposal being to give One Hundred and Thirty dollars in Bonds, for One Hundred dollars in cash.

As soon as the auction is held, the Commissioner of the Creditors shall receive from the best bidder, the amount of Bonds corresponding to the sum redeemed, and shall deliver the same to the Treasury, where they shall be cancelled in his presence.

For the due form and proper order, the Commissioner of the Creditors shall keep a Register of the Bonds, to correspond with the account kept by the Treasury.

Article 8th. A Board of five individuals shall be named, to revise and adjust the pending credits referred to in the following Article 9th, which shall be composed of two Mexican employés, versed in the revision of accounts; of two persons named by the Creditors themselves, and a fifth named by common accord by the Minister of Foreign Affairs and the Minister of H. C. M.—This Board shall be installed within eight days from the date of this Convention, and their decisions, after having heard the parties interested or their representatives, and the Spanish Minister, if they should judge it necessary, shall be without appeal, and therefore irrevocable.

Article 9th. Within fifteen days counted from the date of this Convention, and without any interruption, the revision and adjustment of the Spanish claims, still unsettled against the Mexican Government, shall be proceeded upon, and this operation shall be concluded within the precise term of two months afterwards: *The claims that may have been already examined and adjusted, in conformity with the Convention of* 1851, *even although they may not have recovered any thing from the Mexican Treasury in virtue of previous Conventions, are considered as legally recognized, and shall not be the object of new investigations.*

Article 10th. The Mexican Government reserves to itself the right, of proposing to the Creditors either collectively or individually, when and how it may consider opportune, the entering into special arrangements with the parties who may so desire, on the terms that may be stipulated, but with the provision, notwithstanding, of informing the Government of H. C. M. through the Legation in Mexico, of the arrangements so made.

Art. 11th. The amount of the Spanish claims that may be adjusted, and of those already adjusted, shall be delivered to the Commissioners named by the Creditors, for effecting the payments according to the 4th article of this Convention, in Bonds of the Mexican Exchequer payable to the bearer, in which shall be expressed the 8 per Cent. for interest and redemption, assigned by article 3rd, payable at the expiration of every half year.

All these Bonds shall be issued with the same date, and those appertaining to claims already adjusted, shall be delivered to the Commissioners within thirty days; they giving the corresponding receipt, and obliging themselves to distribute the same to the respective creditors resident in this capital, within eight days, and to the non—residents, within another fixed time, with all the documents they may possess and which the Mexican Government may deem necessary for the due cancellation of the claims. The said Bonds shall be emitted in the form that may be agreed upon by the respective Ministers; and the Spanish Commissioners encharged with the distribution, shall collect the coupons corresponding to the half-yearly dividend paid, in order that, in their presence, the same may be cancelled and destroyed by the persons named for this purpose, by the Mexican Government.

Art. 12th. In the present Convention, the same as in that of 1851, are excluded, the claims originating in the pillage and destructionof the Parian; those comprised in the fund called the 26 per Cent. fund, and those of the copper, that have been adjusted, but notwithstanding the Spanish holders of these claims, shall retain their right to proceed for the same against the Mexican Exchequer, without any detriment arising to them by this exclusion.

Art. 13th. *The Spanish claims comprised in this Convention, are exclusively those of Spanish origin and property;* but not those which although of Spanish origin, have become *the property of citizens of any other nation.*

Art. 14th. The present Convention shall not be altered under any circumstan-

ces or pretexts whatsoever, without the express and formal consent of the two contracting parties.

Art. 15th. If Her Catholic Majesty, on giving her assent to the present Convention, should deem proper to ratify the same,—as the President of the Mexican Republic offers to do on his part,—the ratifications shall be exchanged in Madrid, within the term that may be agreed upon in that Court with the Representative of Mexico. In Witness whereof, we the undersigned Minister of Foreign Affairs of the Mexican Republic, and the Envoy Extraordinary and Minister Plenipotentiary of Her Catholic Majesty, have signed and set our respective seals to the present Convention in Mexico this 12th of November of the year 1853.—(L. S.), *Manuel Diez de Bonilla.*—(L. S.), *El Marqués de Rivera.*

Wherefore, after having seen and examined the preceding Convention, in use of the powers which the Nation has been pleased to confer upon me, I approve, ratify and confirm the same, promising to observe, and to cause to be observed, faithfully, every thing contained therein, without allowing the same to be contravened in any way whatever. In Witness whereof, I have signed the present ratification with my own hand, and ordered it to be sealed with the Great National Seal, and countersigned by the Minister of Foreign Affairs, this 22nd day of the month of November in the year of Our Lord 1853, and 33rd of the Independence of the nation.—*Antonio Lopez de Santa-Anna.—Manuel Diez de Bonilla.*

And the said Convention, having been likewise approved and confirmed, by Her Majesty the Queen of Spain, in her Palace at Madrid, under date of the 24th of January of the present year, I order the same to be printed, published and circulated and that due compliance be given thereunto. National Palace at Mexico, May 30th 1854.—*Antonio Lopez de Santa-Anna.*—To the Minister of Foreign Affairs.

And I communicate the same to your for your information and the consequent purposes.

God and Liberty. Mexico &c.—*Bonilla.*

NUMBER 10.

THE SPANIARDS, WHO, BY THE TREATIES OF CORDOVA AND PLAN OF IGUALA CONSIDERED THEMSELVES AS MEXICAN CITIZENS, ARE AT LIBERTY TO REMAIN AS SUCH OR AS SPANISH SUBJECTS. DECREE OF THE 10TH OF AUGUST 1842.

Antonio Lopez de Santa-Anna &c. Be it known:

That in virtue of the power conceded to me by the Seventh Article of the bases adopted in Tacubaya and sworn to by the representatives of the Departments, I have deemed fit to decree as follows:

Art. 1. The Spaniards who resided in the Republic at the declaration of the National Independence in 1821, and who may have inscribed their names in the registers which were ordered to be opened in the Departments, by the circular emitted by the Minister of Foreign Affairs and "*Gobernacion*," on the 25th of October last, are at liberty to renounce their quality of Mexican citizens, conceded to them by the "plan" of Iguala, and the Treaties of Cordova.

Art. 2. The Spaniards who may renounce this prerogative, by availing themselves of the liberty conceded to them by the preceding Article, remain from such act, subject in every respect to the reigning laws respecting foreigners ("leyes vigentes de estrangeria.")

Art. 3. The Spaniards by birth, who may have enjoyed the quality of Mexican Citizens, from the year 1821 to the present date, shall continue to be considered as corresponds to those possessing that character, if they should not have renounced the same within six months from the issuing of the present decree

Wherefore. I order the same to be printed, published and circulated, and that due fulfilment be given thereunto. &c.

NUMBER 11.

THE SPANISH AMBASSADOR GIVES NOTICE THAT THE BOARD OF CREDITORS HAVE NAMED SEÑOR DON MIGUEL BUCH, AS THEIR ATTORNEY.

Spanish Embassy at Mexico.—The undersigned Embassador of H. C. M. has the honor of addressing himself, this day, to His Excy. Don Teodosio Lares, Minister *ad interim* of Foreign Affairs, with the object of informing His Excy. for the consequent purposes, that a General Meeting of the Spanish creditors having been held in this Embassy on the 19th. of September last, for the purpose of electing a permanent sub-comittee and naming the Attorney or Attorneys as prescribed by the Treaty of the 12th. of November 1853,-re-established in all its force and vigor by that made lately, between the Governments of Mexico and Spain, Señor Don Miguel Buch has been unanimously named as the said Attorney, after it having been decided by the Meeting to limit this nomination to one person only.

The undesigned has the honor to reiterate, to His Excy. Don Teodosio Lares, the assurances of his most distinguished consideration.—*J. F. Pacheco.*

Mexico October 31st. 1860.—To His Excy. Señor Don Teodosio Lares, Minister *ad interim* of Foreign Affairs.

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ventions be altered or modified, without the previous consent of the Governments that made them; but much less when there is an express stipulation that neither of the contracting parties can proceed in any other manner. The stipulation contained in the 14th. Article of the Treaty referred to, of 1853, cannot admit of any interpretation that could authorize its want of observance, not even under the impression or conviction that illegal claims had been unjustly introduced, that is to say, claims that ought not to enter into the Convention Fund, and that the Government of H. C. M. persuaded of this fact, by unequivocal proofs that ought be presented, would judge the conduct of the Mexican Government, favorably. The reason is obvious, because if this rule were admitted in similar cases, no treaty would be subsistent, neither would international law be held inviolable. Consequently, the Government could not be conformable with the measures dictated by the Minister of Finance, limited to exacting from Spanish subjects, the Bonds that had been issued and put in circulation upon the good faith of the Government itself, and to a new revision, which, just and necessary as it might have been previous to the Treaty of 1853, could not afterwards be sustained, wit hout some other negotiation, in which both Governments should have come to an agreement on so important a point. You have in your possession, all the documents that have been published on this matter, and you will be convinced that it was not possible to regulate the existing differences, nor even treat with the Spanish Government, on a good footing, if justice were not done to them.

The Treaty, therefore, had to be re-established in all its force, as though no interruption had ever ocurred; it being my duty to observe that both the Government of H. M. the Emperor of the French and that of Her Britannic Majesty, (whose mediation was accepted by Mexico and Spain as a proof of their benevolent sentiments towards both nations) esteemed its punctual observance from the first moment, as indispensable, without which it would be impossible to re-establish the relations between the two countries. It is not necessary nor opportune either, to refer to the project of the treaty between the Minister of Foreign Affairs, Don Luis de la Rosa and the Spanish Minister Don Santos Alvarez: the Government of Spain did not ratify it, and such negotiation, although entered upon, with the best spirit of conciliation and peace, can neither be a proof that the Treaty was legally interrupted, nor much less that the Spanish Government had considered the question in any other light than that in which they have looked upon it latterly, from the fact that the project did not meet with its ratification.

This point being settled, which was the first that caused the interruption of friendly relations between Mexico and Spain; the Mexican Government,—being placed in a loyal and frank position to treat afterwards, upon the other arrangements it might deem convenient; (the principal assassins of San Vicente and Chiconcuaque being executed,) and being disposed to give to H. C. M. the assurances demanded by national honor and civilization, in regard to the exercise of all its authority, and the zeal of the judges and and tribunals, in the apprehension and punishment of the other criminals who had not yet fallen into the hands of jus-

tice, no other difficulty remained than that of the indemnity, claimed by H. C. M's Government, in favor of the families of the victims.

The Government of the Republic, in conformity with the general feeling, inclined itself immediately to this reparation; but also considered itself obliged to await the result of the trial of the prisoners and the sentence of the Tribunals; being decided upon making the indemnity, if it found any responsibility that should condemn any of its agents or functionaries as accomplices in those assassinations, and to refuse the same in the contrary case. Fortunately all the legal actuations and the proceedings taken by the officers of the public Executive, confirmed the opinion already formed, that those horrible crimes could not be charged on any one but those wretched beings who had committed them, and that the country was free from a stain, that would have dishonored it, as much in its own eyes as in those of foreign nations.

The Government of H. C. M. notwithstanding, still insisted upon the indemnity, and the Mexican Government has deemed fit to respect this persistence in favor of the families of the victims, because, although the reports and rumors that had been circulated, respecting the official responsibility in the unfortunate events referred to, had been completely dissipated, a uniform opinion had now been formed, which was based more upon the feeling that misfortune naturally inspires, than upon official facts and cold reasoning.

This point having been discussed by the Plenipotentiaries,—and the indemnity supported by the mediating Powers, (although as a noble concession,) and the Mexican Minister being decided upon not compromising, in any case, either the good name or the honor and dignity of the nation,—the 2nd and 3rd articles of the Treaty were adjusted; which have conciliated all the extremes, in the most favorable sense for both Governments. The indemnity, indeed, and as a generous act, and considering the horrible character of the assassinations perpetrated in San Vicente and Chiconcuaque, and in the mining district of San Dimas,—was in conformity with the public feeling in both countries, and the solemn declaration made by Mexico and accepted by Spain, in favor of her good name and of her authorities, compensate any expense incurred by the National Exchequer. It being likewise stipulated by the 4th Article, that this reparation does not establish any precedent or rule for cases of a similar nature, and the amount thereof being submitted to the Governments of France and England, the honor of the country, in a matter that has so strongly called attention in Europe and America, has been completely vindicated.

It only remains for me to speak briefly on the course taken by the Government in regard to the negotiation: once resolved, as the Spanish Government was, not to permit the residence of the Minister named by the previous Mexican Government, at Madrid, whose mission was to arrange the pending difficulties, the Spanish Legation in this capital having been recalled, and diplomatic relations interrupted, the Government of Mexico considered that the establishment of the Mexican Legation nt Madrid could not be insisted upon with, justice, nor was it becoming the dignity of the nation,—the harmony between the two Govern-

ments being disturbed,—and the means generally resorted to in these cases-namely the appointment of simple plenipotentiaries,—having been abandoned. ' The Government therefore proceeded to adopt this step, and H. C. M's Government in consequence, named its Plenipotentiary but the negotiations suffered considerable delay, amongst other reasons, from the serious illness of His Excellency General Don Juan N. Almonte, who could not occupy himself therein, except when the state of his health permitted him to do so. The Treaty has been signed at Paris. without the mediation of France and England having been necessary for its adjustment, and there has been nothing, in respect to the exigencies of a just reciprocity, which could offend either Mexico or Spain.

The Minister who was named by the former Government to reside at Madrid, has protested thrice against any Treaty whatever, made by the present Government, asserting that it does not possess any legitimacy. This protest might have all the weight desired, in relation to matters of internal regulations, if, as Sr. D. Jose Maria Lafragua wishes, the administration of 1857 were again established; but as regards the validity and subsistency of the Treaty, it could not have any force whatever, as the actual Government having been recognized, from its establishment, by all the Governments of Europe and America, with which it is still in relations, including that of the United States, which latter authorized its Minister to treat with it, even upon concessions of incalculable transcendence for the nation, it could not be possible to dis own, in foreign parts, the legitimacy of its acts. On the other hand, France and England are to intervene in its execution by, fixing the amount of the indemnity agreed upon; and lastly, the Treaty being limited to the re-establishment of that of 1853,—to the punishment of the assassins who took away the lives of pacific and industrious Spaniards,—and to an indemnity granted by the noble motives that are mentioned in this note, there is nothing that can impair the rights of the nation, neither could there be any Government, which at all esteems its own dignity, who ought to mix up party spirit in this affair,

I reiterate to you the assurances of my distinguished consideration.—*O. Muñoz Ledo.*

Department of the Secretary of State and Foreign Relations. His Excellency the President *ad interim* of the Republic, has been pleased to address me the following decree:

Miguel Miramon, General of Division and Chief of the National Army, and President, *ad interim*, of the Mexican Republic, to all those to whom these presents may come, Know Ye:

That a Treaty between Mexico and Spain for the regulation of the questions pending between the two countries, having been concluded and signed at Paris on the 26th of September 1859, through the Plenipotentiaries, duly authorized for this purpose, which Treaty is of the following form and tenor:

"His Excellency the President of the Mexican Republic and Her Majesty the Queen of Spain, equally animated with the desire of putting an end to the diffe-

damages and losses they may have suffered, in consequence of the crimes committed on the 15th of September 1856 in the mining district of San Dimas, in the Department of Durango.

ART. 4TH.

Animated by similar sentiments to those expressed in the preceding Articles, aud abounding in the same desires, the Spanish Government consents that the indemnities referred to, cannot serve as a basis or precedent for other cases of a like nature.

ART. 5TH.

The Governments of Mexico and Spain agree that the amount or value of the indemnities, alluded to in the foregoing Articles, shal! be decided by common accord by the Governments of France and England, who have shown themselves disposed to accept this commission, which shall be carried into effect by them or by their representatives, taking into account the facts that may be adduced by the parties interested, and listening to the respective Goverments.

ART. 6TH.

The Treaty of the 12th of November 1853 shall be re-established in all its force and vigor, as if it had never been interrupted, until by any other act of a similar nature it may, by mutual agreement, be annulled or altered.

ART. 7TH.

The losses and damages for which claims were pending, on the interruption of relations, and whatever others, that during this interruption may have given cause for new demands, shall be the object of ulterior arrangements between the Governments of Mexico and Spain.

ART. 8TH.

This Treaty shall be ratified by the President of the Mexican Republic and by Her Majesty the Queen of Spain, and the ratifications shall be exchanged at Paris, within four months from this date, or before, if it should be possible.

In Witness whereof, the undersigned Plenipotentiaries have signed and set their respective seals hereunto.

Dated in triplicate at Paris this 26th day of September in the year of Our Lord 1859.—*Juan N. Almonte.* (L. S.)—*Alejandro Mon.* (L. S.)

Wherefore, having read and examined the preceding Treaty, in virtue of the ample powers with which I am invested, I approve, confirm and ratify the same, promising to observe, and cause to be observed, all therein contained without

permitting the tenor thereof to be contravened in any way whatever. In Witness whereof, I have set my hand to the present ratification, and ordered the same to be sealed with the great seal of the Nation, and countersigned by the Minister *ad interim* of Foreign Affairs, in the city of Queretaro, this 7th day of November 1859 and 39th of the Independence of the Republic.—*Miguel Miramon.*—*Octaviano Muñoz Ledo.*

And the pre-inserted Treaty, having been likewise approved and ratified by Her Majesty the Queen of Spain, and both ratifications solemnly exchanged by the respective Plenipotentiaries at Paris on the 25th of January of the present year, I order the same to be printed, published and circulated, and that due fulfilment be given thereunto.

National Palace at Mexico. April 9th 1860.—*Miguel Miramon.* To the Minister of Foreign Affairs, *ad interim.* Don Octaviano Muñoz Ledo.

And I communicate the same to you, for your information and the corresponding purposes.

God and Liberty. Mexico April 9th 1860.—*Muñoz Ledo.*

LAWS AND DOCUMENTS

RELATIVE TO THE

FRENCH CONVENTIONS.

NUMBER 1.

Convention with the Kingdom of France.

Department of Foreign Affairs.—His Excy. the President has been pleased to address me the following decree:

The President of the Mexican Republic to all to whom these presents may come, Know ye:

That a Convention between this Republic and the Kingdom of France, having been concluded and signed in the city of Veracruz on the 9th. of the present month, through the medium of the Plenipotentiaries of both Governments, duly and respectively authorized for this purpose, which Convention is as follows:

His Excellency the President of the Mexican Republic and His Majesty the King of the French, mutually desiring to put an end to the differences that have unfortunately arisen betwen the two respective Governments, and which have led to reciprocal hostilities, have named as their Plenipotentiaries, as follows:

His Excy. the President of the Mexican Republic names Don Manuel Eduardo de Gorostiza, Minister of Foreign Affairs and Don Guadalupe Victoria, General of Division; and His Majesty the King of the French names Mr. Charles Baudin, Vice Admiral and Officer of the Legion of Honor. Who, after reciprocally communicating to each other their full powers, found to be in due and proper form, have agreed upon the following:

Art. 1st. To satisfy the claims of France, relative to the injuries suffered by her subjects previous to the 26th. of November 1838, the Mexican Government shall pay to the French Government the sum of Six Hundred Thousand hard dollars, in cash. This payment shall be made in three orders of $ 200,000 each against the Principal Administrator of the Custom-House of Veracruz at two, four, and six months date, counted from the day of the ratification of the present Convention by the Mexican Government. When the said orders shall have been

NUMBER 2.

CONTRACT MADE WITH THE GOVERNMENT BY THE HOUSES OF SERMENT J. FORT & Co., AND DRUSINA & Co.

Treasury General.—Department of Finance.—1st. Section.—N. 170.—Messrs. William Drusina & Co., and Serment P. Fort & Co. have presented the following propositions to the Supreme Government:

Your Excy. We, the undersigned, have the honor to submit the following propositions for the approbation of the Supreme Government. We will pay into the General Treasury in hard cash, Five Hundred Thousand dollars	$ 500,000
We will deliver to the Departamental Treasury of Veracruz, in the remaining months of this year, including the present, and on the last day of each month, for the expenditures of the garrison of that city, Forty Thousand dollars per month, amounting in all the year to.	440,000
In cash, Nine Hundred and Forty Thousand dollars.	940,000
We will deliver to the Supreme Government, a like sum of Nine Hundred and Forty Thousand dollars in Bonds of the 26 per cent. fund	940,000
Total, One Million, eight Hundred and Eighty Thousand dollars. .	$1,880.000

The $500,000 which ought to be paid into the General Treasury, we will deliver within the space of three months, at the rate of $80,000 each month, in bills upon San Luis; Guanajuato or Zacatecas, and the balance of $260,000 in three equal parts, each month, in the said Treasury. The $940,000 of Bonds, we will deliver within the time we may agree upon with His Excy. the Minister of Finance, guaranteeing the present obligation with securities to the satisfaction of the General Treasury.—For the repayment of the $1.880,000 the Supreme Government shall assign to us:

1st. In the Custom-House of Veracruz, the 20 per cent., at present assigned to the expenses of the garrison of that city, the said Supreme Government also instructing the Ministers of the General Treasury to give immediate orders to the Maritime Custom-House of Veracruz to remit to them, bills drawn in favor of Messrs. William Drusina & Co., on houses of business in this Capital, (as is customary with the fund of the 26 per cent.) for the sums that may be pending recovery of the 20 per cent. for the garrison, and which shall be delivered to us by the General Treasury; the expenditures of the said garrison being already co-

ceed by the $41.000 which we should remit in the present month for that purpose.

2nd. The first part that the Supreme Government possesses of that it may possess directly the Tera Cruz Custom-House be referred from the orders it is now taking to that have been given up to this date 11th for which part as their proper time shall be remitted in the same order as those of the 3% per cent. referred to in the preceding article, and as new orders shall be emitted that we recover, for before the present loan be repaid and for the respective dearness, the corresponding liquidations shall as once be made by the Treasury General.

3rd. The sum of Fifty Thousand dollars per month shall be paid to us from the Tobacco Revenue until the complete repayment of the $1.500.000. and these instalments shall commence from the 31st of March next.

4th. There shall also be assigned to us in payment the 5th part of the duties or whole that may be received by the General Treasury in virtue of the permission for importation granted by the law of the 23rd Dec.

5th. The Dividends of the 3% per cent Fund that may correspond to the $500.000 in Bonds which we oblige ourselves to deliver, said Bonds remaining in our possession, under the necessary guarantees, for the recovery of said Dividends; as shall also be delivered to us by the Treasury General for the same purpose and corresponding security the $ 140.000 of the 3% per cent. now in possession of the Supreme Government, and there shall also be assigned to us the Dividends of any other sum that the Government may, by right, represent in the said 3% per cent. Fund.

6th. And lastly, the Supreme Government, shall specially assign to us, over and above the branches already expressed, the half of the circulation and export duties which shall continue to be received as heretofore in Mexico and San Luis Potosí from the "conductas" or convoys of Silver and Gold which may leave for the seaports from this capital and from the interior, after that of next May, and all the quotas that are assigned to us, shall not suffer any interruption whatever, until the $1.500.000 referred to in this agreement shall be completely redeemed, which agreement shall be drawn up in a public Instrument and an authorized testimony thereof shall be delivered to us.

God and Liberty. Mexico February 16th 1846.—*Guillermo de Drusina & Co.—P. P. Serment, J. Fort & Co.—Bernardo.*

And His Excellency the President *ad interim* having deemed fit, at a meeting of the Ministers, to agree to the proposals herein inserted, I communicate the same to you by order of His Excy. for your information and the corresponding purposes.

God and Liberty. Mexico March 7th 1846.—*Parres.*—To the Ministers of the General Treasury.

NUMBER 8.

AGREEMENT OF THE 17TH. OF DECEMBER 1851 FOR THE PAYMENT OF THE CLAIM OF SERMENT, FORT & CO., AND WILLAM DRUSINA & CO.

The undersigned Minister of Foreign Affairs of the United Mexican States, and the Minister Plenipotentiary of the French Republic, having met in diplomatic conference, with the object of regulating the payment of the sums due to Messrs. Serment, P. Fort & Co., according to the sentence pronounced against the Mexican Government by the Supreme Court of Justice on the 24th. of January last, for the execution of which, it was authorized by the General Congress in the Decree of the 18th. of January of this year, a diplomatic Convention having been entered upon in consequence thereof on the 25th. of said month, by which the Government engaged to pay its debt by delivering to the said Creditors $300,000 of the American Indemnity, Six Hundred Thousand in the half of the circulation and export duties in all the ports, and the rest in Bonds of the common fund at par, with the other conditions therein stipulated; taking into consideration:

1st. That of these conditions the Government has only been able to comply with that of assigning to the creditors the one half of the "conducta" duties:

2nd. That this assignment has not been integrally fulfilled in all the ports, and that, moreover, the duties payable at the time of the sentence of the Supreme Court being then Ten per Cent. they were reduced by a subsequent law to Five and a half per Cent., thus obliging the creditors to suffer the corresponding diminution without having any indemnity:

3rd. That the said dues having been increased by the new law of the 1st of October last to Eight per Cent. the said creditors consider themselves entitled to a proportionate increase in their assignment, as they were previously subjected to the decrease, making for this reason and for the failure in the assignment of the other ports, the following demands:

4th. That for a similar failure in respect to the delivery of the $300,000 of the American Indemnity, and the impossibility in which the Goverment finds itself to comply therewith, the creditors persist in not considering themselves obliged to the fulfilment of the onerous conditions which they took upon themselves by the diplomatic Convention of the 25th of January, amongst which is enumerated that of receiving the rest of their claim in Bonds of the common fund, the ceding $60,000 of "creditos" against the Exchequer, and their desisting from claiming the damages which were conceded to them by the sentence of the Court, the value of which amounts to $923,450 „ 64 according to the judgment given by the arbitrators. The said Minister of Foreign Affairs, authorized by the decree of the 17th of October last, and the Minister Plenipotentiary of France,

desiring to regulate in a justand equitable manner the differences referred to, and to remove the motives that might disturb the friendship that reigns between the two Governments, conciliating at the same time the interests in question as far as the situation and peculiar existing circumstances permit, have agreed upon the following articles.

Article 1st. The Mexican Government, in use of the powers, it exercises, and which were conceded by the General Congress on the 18th of January last, shall assign to the payment of the total claim represented by Messrs. Serment P. Fort & Co., the one half of the proceeds of the circulation and export duties on silver in the ports of Vera Cruz and Tampico, at the rate of 8 per Cent. which is now paid, the reception of this increase to commence from the date in which the said law of the 1st of October is to take effect. This claim ("credito") shall not bear any interest.

Article 2nd. In consequence of this concession Messrs. Serment P. Fort & Co. renounce in favor of the Mexican Government,

1st. Whatever right they might have to claim the indemnities corresponding to what they have failed to receive from the "conducta" duties.

2nd. The right of receiving said duties hereafter in the other ports, limiting themselves to the said ports of Vera Cruz and Tampico.

3rd. The action of claiming the damages awarded by the Supreme Court of Justice.

4th. The same and whatever other rights and actions they might hold from the want of fulfilment of the Convention of the 25th of January.

5th. The privilege reserved to them by said Convention, of obtaining Cotton permits for the Balance of $300,000 of the American Indemnity, provided that the Government should not wish to concede the same to them voluntarily.

Article 3rd. Messrs. Serment P. Fort & Co. ratify in favor of the Mexican Government, the cession of the $60,000 of "*creditos*" which they made to it by the agreement of the 25th of January, and they bind themselves besides, to deliver to said Government without the obligation of any reimbursement or indemnity:

1st. $100,000 in "*creditos*" bearing interest, which they shall deliver in to the Treasury within forty five days:

2nd. $25,000 in cash, at the rate of $3,000 monthly, with the object of applying the amount thereof to such public establishment of utility or beneficence as the said Government may designate.

The purposes of this Convention cannot be altered or modified at any time, without the previous agreement and consent of the French Legation.

In Witness whereof we the undersigned Minister of the Foreign and Home Department of the United Mexican States, and the Envoy Extraordinary and Minister Plenipotentiary of the French Republic, have signed two originals of the present Convention, and sealed the same with our respective seals in the city of Mexico, this 17th day of December 1851.

(L. S.)—*José F. Ramirez.*

(L. S.)—*Levasseur.*

NUMBER 4.

FIRST FRENCH CONVENTION.—JANUARY 21ST 1851.

By the decree of the 18th of January 1851, the Government was empowered to regulate, conditionally, the payment of what was owing to Messrs. Serment P. Fort & Co.; and Don José Luis Huici, Chargé of the Department of Finance, informed the Foreign Department that he had made the following contract with the creditors:

"The claim of Messrs. Serment P. Fort & Co. and Drusina, proceeding from the contract of the 21st of February 1846, ordered to be fulfilled by a sentence of the Supreme Court of Justice of the 24th of January 1850, is arranged upon the following terms:

Its fund is formed of what is owing of the $616,625 „ 48 which were delivered in cash, and of other $616,625 „ 48 which were delivered in recognized "*creditos*", both of which bear interest; and of one per Cent. upon the sum paid in cash for the time it may have been in the possession of the Government.

"The amount that may result therefrom, after the account is adjusted, shall be paid in the following form:

"Three hundred thousand dollars shall be given of the American Indemnity which falls due in 1851 and 1852, the half in each one of these periods, and $600,000 in the half of the circulation and export duties on money in all the ports; it being understood with regard to the ports of the Pacific, that the obligation shall commence when they are free from the compromises they are under at present. The Balance shall be paid in Bonds of the common fund, at par.

"In case the importation of Foreign Cotton should be decreed, permits to the amount of 250,000 dollars shall be given to the parties interested, if they should ask for them, and which shall be considered equivalent to the payment of $300,000 of the $600,000 assigned from the fund of the circulation and exportation duties.

"The parties interested shall, moreover, deliver 600,000 dollars in "*creditos*" of those already mentioned, for the difference there is between these and the Bonds of the 20 per Cent.

Mexico &c.—*Serment & Co.—Drusina & Co.*"

NUMBER 5.

SECOND CONVENTION OF THE 10TH DECEMBER 1851.—CLAIMS OF MESSRS. JECKER, TORRE & Co.

On the 10th of December of last year, the Convention hereinafter inserted was made and signed between the Supreme Goverment and His Excellency the Minister Plenipotentiary of France.

"The undersigned Minister of Finance of the United Mexican States and the Minister Plenipotentiary of the French Republic having met in diplomatic conference, with the object of regulating the payment of the sums due to Messrs Jecker, Torre & Co., according to the sentence pronounced by the Supreme Court of Justice on the 13th of February 1850, for the execution of which, authority was given by the General Congress in the decree of the 17th. of October last, and taking into consideration:

First. That orders having been drawn on the 21st. of the said month of February for the payment of $99,773 „ 18 in the Maritime Custom Houses of San Blas, Mazatlan and Guaymas, of the part remaining free to the Government of the import duties caused therein by the said Messrs. Jecker, Torre & Co.:

Secondly. That the sum to be paid to them for the interest to which they have an incontestable right, for the privation they have suffered of their money in so long a time, not having been settled, and which they calculate in $134,647 43:

Thirdly. That the sum which they consider they have a right to claim for damages and losses referred to in the sentence amounts to $100,000; the aforesaid Minister of Finance authorized as has been expressed, and the Minister Plenipotentiary of France, desiring to arrange the differences referred to, in a just manner and remove the motives that might disturb the friendship that reigns between the two Governments, at the same time conciliating the interests in question as far as the situation and peculiar existing circumstances permit, have agreed upon the following articles:

Art. 1st. The Mexican Government, in use of the power it exercises, shall assign to the payment of the total claim,—which is confined to the interest alone, regulated in the sum of $109,143 represented by Messrs. Jecker, Torre & Co., as was done with the $99,773-18 of the orders of February 1850,—the free part remaining to the Government, of the import duties caused by these gentlemen in the ports of San Blas, Mazatlan and Guaymas.

Art. 2nd. In consequence of this arrangement Messrs. Jecker, Torre & Co., renounce, in favor of the Government, all ulterior claim for damages or losses they may be entitled to, in virtue of the sentence given in their favor by the Supreme Court of Justice.

"The purposes of this convention shall not be modified nor altered at any time, without the previous agreement and consent of the French Legation.

"In Witness whereof, We the undersigned Minister of Foreign Affairs of the United Mexican States and the Minister Plenipotentiary of the French Republic, have signed two originals of the present convention, and have sealed the same with our respective seals in the city of Mexico, this 10th. day of December 1851."

And His Excellency the President, having been pleased to approve the said Convention, I participate the same to you for your information and fulfilment in the part that appertains to you, by giving the respective orders to the Maritime Custom Houses of San Blas, Mazatlan and Gaymas, for the delivery of the sums to be paid to them, according to the stipulations of this Convention, and keeping an exact account of the payments made to Messrs. Jecker, Torre & Co., in du-

ties on goods imported by them or consigned to them, and arranging with those gentlemen in regard to the sum to be assigned to each Custom-House, which assignments you will endeavour to regulate in such a way that the preferable necessities of the said Custom Houses may not be prejudiced, nor the special assignments made in favor of the foreign or interior debt of the Republic, be affected.

God and Liberty. Mexico April, 22nd 1859.– *Esparza.*—To the Ministers of the General Treasury.

NUMBER 6.

THIRD FRENCH CONVENTION, 30TH JUNE 1853.—VARIOUS CLAIMS.

The undersigned Secretary of State and Minister of Foreign Affairs of the Mexican Republic, and the Envoy Extraordinary and Minister Plenipotentiary of H. M. the Emperor of the French having met in diplomatic conference, with the object of regulating the payment of the sums owing to subjects of the French Empire; desiring to proceed in conformity with the sentiments of loyalty, equity, and justice, which from the basis of the frank conduct of the representatives of the two nations,—between which there happily exists the greatest harmony,—and to remove all motive that might hereafter disturb the friendship that reigns between the Governments, at the same time conciliating their reciprocal interests as far as the peculiar circumstances permit, have agreed upon the following articles:

ART 1ST.

A redemption Fund shall be established for the extinction of the French claims.

ART 2ND.

This fund shall be composed of the 25 per Cent. of the import and tonnage dues, payable by French vessels in the ports of the Republic. The amount thereof shall be remitted in bills to the Treasury General, and by this office to the "*Montepio*" of this capital, and when recovered, the amount shall remain in deposit for the time hereinafter expressed.

ART 3RD.

A commission, named by the Supreme Government shall revise the claims which from their origin may have belonged to French subjects, and are still in their possession, and shall adjust and fix their real amount; and each creditor, either directly or by some person on his part, shall facilitate to the commission

all the instructions and explanations that may be necessary. This adjustment shall be terminated by the 15th of December of the present year.

ART 4TH.

In this adjustment there shall only be taken into account the capital claimed, and the legal interest at 6 per Cent, which may have been duly incurred up to the day of the adjustment, without admitting any claim for damages or indemnities.

ART. 5TH.

According as the partial adjustments may be effected, Bonds shall be given to the creditor, with coupons for the value of the amount of the claims.

ART. 6TH.

Every four months a public auction shall be held, to redeem to the best bidder those bonds for the amount in deposit, as referred to in the 2nd article.

ART. 7TH.

These Bonds shall not bear any interest against the Exchequer, nor shall they be admitted except for their nominal value, at the most.

ART 8TH.

This Convention shall commence to take effect from the 1st of January 1854, therefore the first public auction, as mentioned in the 6th article, shall take place on the last day of April, and the others on a like day of the month at the end of every four months, according to the same article.

In the mean time, all payments shall cease from the present date, that should have been made upon French claims that were not included in some Convention or agreement concluded previously, under the direction of the French Legation.

Dated in triplicate at the National Palace of Mexico on the 30th day of June 1853.—(Signed), *Bonilla*.—(Signed), *Levasseur*.

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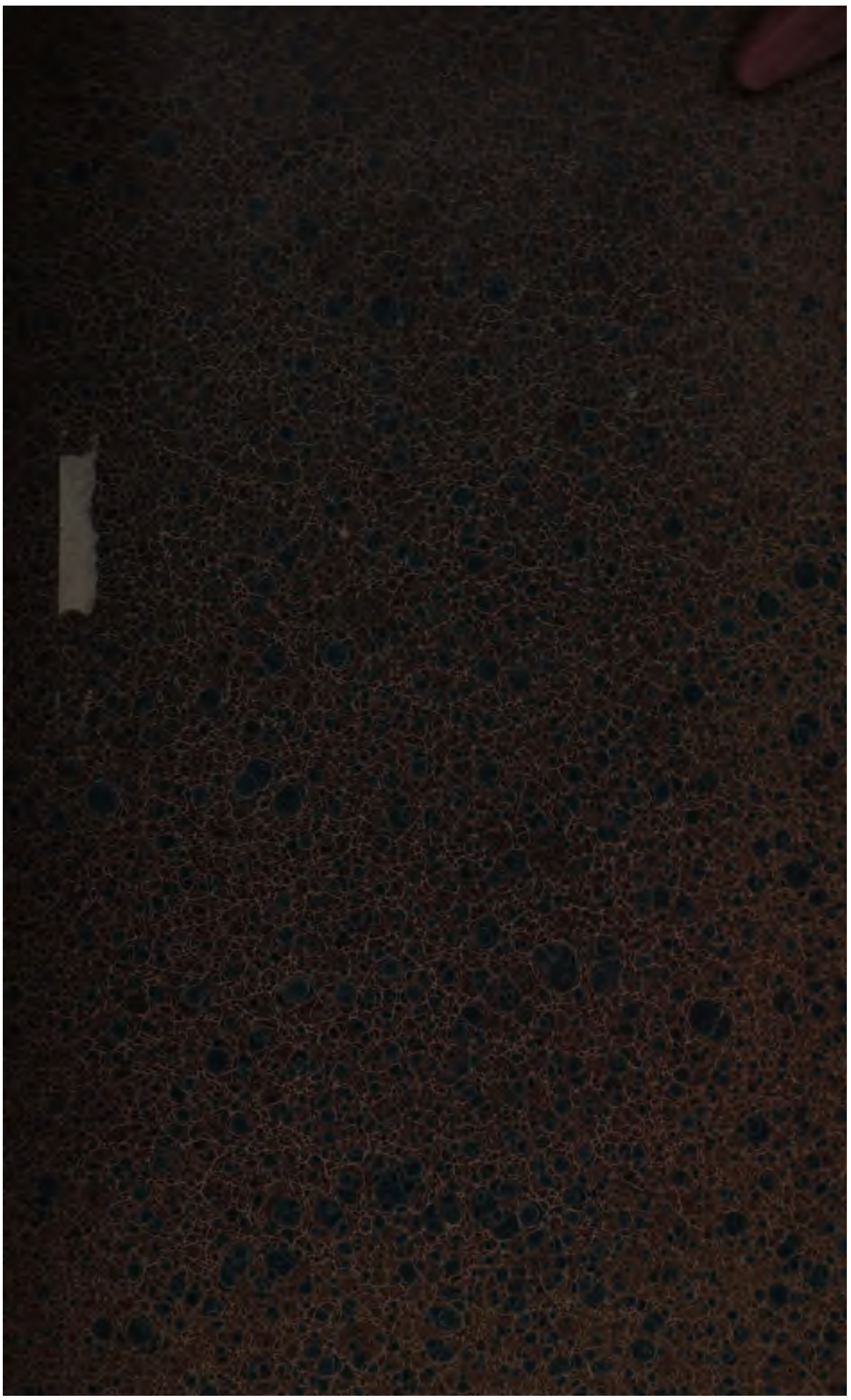

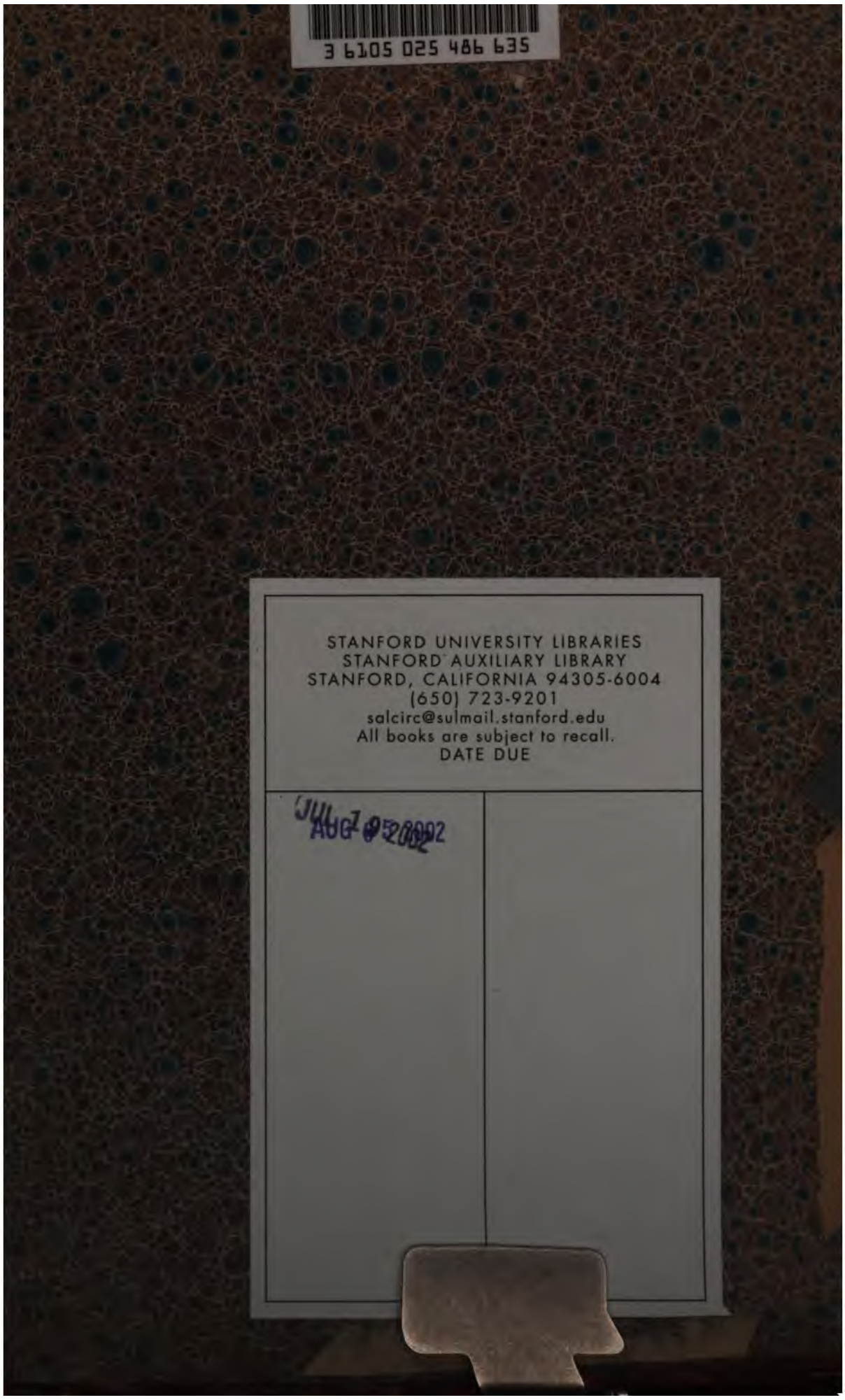
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